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NEWS SUMMARY

GENERAL
Amin ready for talks to-day

President Amin of Uganda is expected to receive British Foreign Secretary James Callaghan today to discuss Anglo-Ugandan relations and the question of British lecturer Dennis Hills, twice reprieved after being convicted of treason. Mr. Callaghan arrived in Kampala yesterday from Kibusha where he held a 90-minute discussion with Zaire President Mobutu.

At the time of Mr. Callaghan's arrival, President Amin had not yet returned from Kenya and Somalia where he had been canvassing support for his chairmanship of the Organisation of African Unity for the next 12 months. The Foreign Secretary finally flew to Uganda without receiving a clear assurance about the treatment of Mr. Hills or other British citizens in Uganda. Informal sources said he did so because he had received President Mobutu's full backing. Mr. Callaghan was hoping to be back in Britain to-night.

BUSINESS
Long 'tap' exhausted as gilts rise 0.44

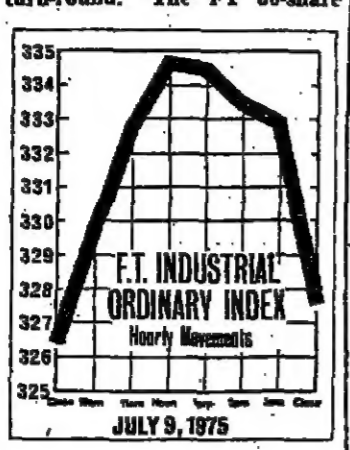
● **EQUITIES** continued to improve, but the narrowness of the TUC vote for accepting the Government's pay plan led to a turn-around. The FT 30-share index, up 8.3 at noon, ended 1.2 higher at 327.6, while the FT Actuaries All-share index gained 1.9 per cent to 142.13. Gold Mines index rose 5.2 to 380.8.

● **GILTS** continued firm and supplies of the recently-issued long "tap" stock were exhausted. Closing gains ranged to 1, slightly below the day's best. Government Securities index added 0.44 to 59.59.

● **GOLD** rose \$1 to \$166.

● **THE £** strengthened by one cent at \$2.2955, while its weighted depreciation moved to 27.3 per cent (27.6). Dollar's weighted fall widened further to 5.52 (5.29).

● **WALL STREET** was 1.03 higher at 868.82 near the close.



'People's rule' for Lisbon

Portugal's army rulers adopted a plan to perpetuate their rule and to exclude the political parties from real power. The Armed Forces Movement approved guidelines for a system of neighbourhood, works and regional councils as well as a people's national assembly. Described as a "people's parallel democracy," it is intended to reinforce the "armed forces-people alliance." The Communists quickly welcomed it. Other parties were critical. Back page.

Derry bombs

Three bombs exploded in a Government office block in the centre of Londonderry. But nobody was hurt as the six-hour blast had just been evacuated after a passer-by spotted the men who then armed, entering the building. The Provisional IRA claimed responsibility, alleging that the Army had begun a campaign of harassment.

Rabin's doubts

Israeli Premier Yitzhak Rabin said that unless both sides in the Middle East conflict compromised, "I doubt whether such an agreement will be achieved." He told journalists in Bonn that many problems, including an Israeli-Egyptian accord had been settled but key issues remained to be clarified "to the last point."

Middle East news page 5

Typhoid cases

Three cases of typhoid have been confirmed among holidaymakers returning from Mallorca. Three more cases are suspected. The patients are in hospitals in Bristol, Manchester, Leeds and Huddersfield.

Briefly...

One of the "Shrewsbury Two" building pickets is to be released on parole from Leicester Jail in two weeks. Page 8

Mr. Ian Trethowan is to take over from Mr. Ruw Wheldon as managing director of BBC Television at the end of the year. Page 7

Mr. G. C. Bell, secretary of the Confederation of Fried Fish Caterers' Associations, has written to the Prime Minister urging him to investigate the potato shortage which could threaten the British fish and chip industry.

President Ford scored a partial victory in his bid to lift the Congressional embargo on arms to Turkey. Page 4

Thousands of Rumanian peasants plucked ripened wheat with their bare hands from fields left waterlogged by floods from the Danube, which also destroyed houses and closed factories.

CHIEF PRICE CHANGES YESTERDAY
(Prices in pence unless otherwise indicated)

RISERS	FALLS
Treasury 12½pc 1985-1992 +1	Royal Ins. 292 + 7
Treasury 6½pc 1976-1977 +1	Sainsbury (J.) 150 + 6
Ascd. Newspapers 28 + 9	Solicitors Law Stat. 48 + 5
Baird (Wm.) 70 + 3	Waddington "A" 100 + 10
Brit. and Comm. Ship. 177 + 7	Wedgwood 120 + 10
Calsonic Inv. 157 + 7	Woolworth 120 + 10
Forminster 50 + 8	YOL Petroleum 75 + 10
General Accident 146 + 7	Cons. Murchison 680 + 20
Hawker Siddeley 273 + 10	Qeen Resources 23 + 4
Health (C. E.) 273 + 10	SA Land 560 + 35
ICI 273 + 3	West Rand Cons. 380 + 20
Kode Intnl. 31 + 5	
Land Securities 187 + 4	
Lloyds and Scottish 64 + 5	
Lucas Ind. 110 + 8	
Lyle Shipping 225 + 9	
Pearson (S.) 132 + 7	
Powell Duffryn 115 + 6	
Press (Wm.) 291 + 3	

White Paper will follow TUC line on pay

BY JOHN ELLIOTT, LABOUR EDITOR

The Government's wages policy for the coming year, which is scheduled to appear in a White Paper to-morrow, is expected to be based on the TUC's £6-a-week pay package, following the qualified support the plan was given by the TUC general council yesterday.

But, subject to today's key Cabinet meeting, there will almost certainly be reserve statutory powers on employers backing up the TUC's voluntary scheme. The fact that the TUC only managed to muster a 19-13 majority means that it will be easier to sell the necessity of the powers within the Labour movement.

Mr. Len Murray, TUC general secretary, made it clear yesterday that he intends to use the 19-13 vote as authority to go ahead and implement the policy by urging individual unions to operate it and by starting urgent talks with the CBI on how to monitor pay settlements and arbitrate on would-be exceptions to the £6 rule.

But Mr. Murray stressed that there should be "no special cases" and made it clear that he did not exempt the miners from this. The Left wing of the National Union of Mineworkers, however, has shown no interest in abiding by the £6-Mr. Lawrence Daly, the union's general secretary, voted against it yesterday at the TUC—and sharp political fighting can now be expected until Christmas or later over whether the miners should conform.

Broadly the TUC policy document embracing wages, prices and unemployment was substantially accepted by senior Ministers in Downing Street on Tuesday night. Basically this means that its wage proposals are expected to form the core of the White Paper. But Ministers will not embrace all the TUC's ideas, for example, on relating the economy later this year and introducing a six-month gap between price rises.

But Ministers realise that the pressure of the country's economic situation has moved the TUC further away from its ritual insistence on "free collective bargaining" than would have seemed possible a month or so ago and that, as Mr. Len Murray, TUC general secretary, put it yesterday, the package "was a very hard battle to bite on, but the General Council bit on it."

The absolute degree of opposition to the plan is also not so

Cabinet to decide policy on legislation to-day

BY JOHN BOURNE, LOBBY EDITOR

WITH JUST one day to go to publication of this White Paper on wages, Harold Wilson, Prime Minister, and his senior economic Ministers met yesterday evening to consider the situation created by the 19-13 TUC vote backing the plan for a £6 a week flat rate rise in the coming round of wage negotiations.

Ministers were concerned last night not only about the narrowness of the TUC general council vote, but also about the TUC's suggestion of a six-month gap between price increases.

The Prime Minister is understood to be acutely aware of the difficulties companies might face if their workers went on strike for claims above the wage norm. He believes, therefore, that the CBI should prepare its own insurance scheme to help businesses which stand up to strikers, and that such a scheme emerged it might be backed by a guarantee of Government funds.

However, this idea, although mentioned in recent discussions between the CBI and Ministers, is not expected to be in to-morrow's Government White Paper setting out its anti-inflation proposals. For one thing it would be politically unpalatable to Labour MPs who would

Public 'favour statutory curbs'

The British people are overwhelmingly in favour of the Government's proposed incomes policy being made statutory, according to a survey published this morning by Political and Economic Planning, the independent research

organisation. The survey shows that as many as 80 per cent favour statutory measures, and the majority disagree with Government and union attempts to achieve a voluntary policy. Details Page 7

Some leading Conservatives believe that immediate legislation and not reserve powers is the only way to restore foreign confidence in sterling.

The unsatisfactory elements in yesterday's TUC decision, from the Government's point of view, are not only the narrowness of the vote and the suggestion of a six-month price standstill regarded by Ministers as both impractical and also damaging to industrial investment—but the particular unions which opposed the TUC motion. These included the miners, scientific workers and shop workers, and also the public employees, teachers, fire brigades and local authority workers.

Mr. Denis Healey, the Chancellor, is expected to urge the Cabinet to-day that legislation is needed at least to prevent activate sanctions by Order, if necessary.

tracts involving increments and other salary increases promised this year, including merit payments, from suing the Government for preventing the honouring of such contracts.

Generally he is believed to favour legislation—to be published next week, probably with a second reading debate on the following Monday—giving the Government at least reserve statutory powers to prevent wage settlements in excess of the norm, as well as dealing with such problems as that of the white-collar workers and possibly the power to prohibit local authorities from exceeding the norm.

To-morrow's White Paper on the Government's intentions—running to about 8,000 words with an annex setting out the TUC's new wage guidelines—is expected to be published at about 11.30 a.m. after a statement by the Chancellor to the Commons. It will be followed by a Press conference given by Mr. Wilson and Mr. Healey.

The document will include a proposal for a cut-off point above which no pay increases at all. Continued on Back Page

CBI takes hard line on wages

BY HAROLD BOLTER, INDUSTRIAL EDITOR

EMPLOYERS' LEADERS last night called for a limit on wage increases of £5 a week or a figure not exceeding 15 per cent, which ever is the lower. They also demanded that this policy should be supported by the removal of social security benefits from people who tried to break it down through strike action.

Delegates from the Confederation of British Industry took this surprising hard line at their final meeting with the Chancellor of the Exchequer before the Government produces its White Paper on prices and incomes to-morrow.

In another controversial move, the CBI team also suggested that if there is a freeze on salary rises for high incomes the cut-off point should be £15,000 and not the £7,000 suggested by the TUC.

Mr. Healey was faced with eight main proposals by the CBI, all of which will run the danger of Labour Party law if they are incorporated in Government policy or legislation. They are:

- The £5 or 15 per cent maximum limit on pay rises. For some lower paid workers—particularly groups such as women

employees in the food industry—this would mean increases of no more than £3 a week.

- The Government should limit the cash made available to the nationalised industries and the public sector generally to ensure that excessive wage increases are not paid out and reinforce this by writing into the White Paper that it intends to stand firm against attempts to beat the limit.

- Reserve legal powers should be taken by the Government to reinforce the pay limit. Preferably these should act on employers and the unions but if this is impossible on employers alone.
- There should be no tightening of the price code. "Most companies are not half way to reaching their reference levels anyway," Mr. Campbell Adamson, CBI Director-General said.
- For 12 months the Government, the TUC and the CBI should agree that sanctions should continue for only one year and then be followed by a wages explosion.

● The system of automatic increments operated by the Civil Service and some companies should not permit employees to receive pay rises greater than £5 or 15 per cent. Fringe benefits and so-called productivity deals should also not be allowed to take pay above the new limit.

- If, as the CBI believes, the new policy is introduced from August 1, the Government should stop companies or workers pressing for immediate settlements exceeding the limit in the interim.

- Wage claims and settlements should be reported to a central body made up of CBI, TUC and Government representatives, meeting at least monthly. This organisation would study how the policy was working and reinforce it if necessary.
- Mr. Adamson and Sir Ralph Bateson, the CBI's President, made it clear that they do not believe that the new policy will be followed by one year and then be followed by a wages explosion.

"We are delighted that the Government has finally decided to do something about inflation. We have been waiting for at least two years. It is the Government which has produced the situation we are now in, despite frequent warnings from us."

It is the Government which has damaged industrial confidence and profitability and investment and it is the Government which has damaged employment.

"We consider that it is about time the Government started governing and if it produces its White Paper a policy which is strong, firm and workable and capable of getting inflation down to single figures by the end of 1976, then we will work to make that policy work."

Finally, Sir Ralph emphasised that the CBI did not believe that income restraints by themselves would bring down the level of inflation.

In addition, the Confederation wants to see them augmented by controls on public expenditure, borrowings and the money supply—but not by cuts in the investment programmes of the nationalised industries.

Steep rise for P.O. charges

BY ARTHUR SMITH

PROPOSALS for major rises in postal and telephone charges to reduce a Post Office deficit now amounting at the rate of £1m. a day were announced yesterday.

First-class letters will cost 8½p (up 21 per cent), and second-class 6½p (18 per cent). From September 28 if the Post Office gets the expected post-advance increase on parcel post will average 30 per cent. From October 1 the minimum charge for a dialled telephone call will go up from 1.5p to 3p.

Without such increases forecasts indicated a loss of about £200m. in the current financial year, Sir William Ryland, the Post Office chairman, said yesterday.

'Within price code'

Speaking of the urgency of the present situation, he said that the Government was prepared to compensate the Post Office only for a £70m. loss in the current year, and that losses would not be offset in future years.

Post Office estimates suggest that the proposed increases on inland postal charges will raise £54m. more in the current year to reduce the loss to £70m. Revenue on telecommunications will be £230m. higher, to yield a profit on turnover within the 3 per cent permitted by the Price Code. Sir William stressed that the whole package was "well within" the Price Code.

The Post Office has also put forward proposals for radical

changes in postal services which would increase £19.5m. in 1975-76. These include ending of collections on Sundays; delivery of second-class letters by the third working day after posting; ending of the second rural delivery; and closing all Post Office counter on Saturday afternoons.

Sir William revealed that he had written to the Industry Secretary seeking legislation to enable postmen to use American-style garden-gate boxes. Other suggestions include centralised delivery boxes at flats and offices, and that postmen do not have to climb stairs.

The Post Office last raised post and telephone charges in March and April this year. Sir William said he hoped these would see the Corporation run out with a loss of only £50m. Yesterday he placed the blame for the revised estimates largely on inflation.

"This is a time of the ever-rising price tag, which cuts into the value of the money in our pockets. It is an economic disease to which there is no immunity. It can be terminal."

With a payroll of more than £20,000 and one of the largest investment programmes in the country, the Post Office was "excessively vulnerable to the twin hazards of inflation—the high cost of labour and of borrowed money," he maintained.

Emphasising the difficulty of making forecasts about the rate of inflation, Sir William said he

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P.O. pension fund has U.S. property plans

BY OUR INDUSTRIAL STAFF

WITHIN TWO years the Post Office Superannuation Fund could have a U.S. property portfolio worth \$40m, now that it has finalised plans to invest in property there.

The POSF, largest of the U.K. public sector pension funds, already has about \$300m, directly invested in property but this is mainly in the U.S. In North America it has around \$30m, in Canadian property.

The fund has a cash flow of about £250m, a year of which one third goes directly into property investments and Mr. David Jackson, the fund's property director, stated yesterday: "With this cash flow we must have a global strategy for investment to give us the diversity we need."

The POSF has appointed the Heitman Group, a subsidiary of the Cordura Corporation, as its quoted Chicago concern, as its property adviser for most of the U.S.

Investment in certain New England and north-eastern States, including New York, New Jersey, Mass., New Hampshire, Vermont and Maine will be managed by Schroder Real Estate division when this appointment is finalised.

The fund will be concentrating mainly on fully-completed commercial industrial properties, as it has done in the U.K., said Mr. Jackson.

We will be investing a good part of our cash flow in property around the world and a substantial proportion of the total investment will be made in the U.S."

Neither the fund nor Heitman would give any details about the amounts to be invested, but Heitman did venture a guess that in the next two years the POSF will have \$40m, in property in the U.S. As this will be a fairly high-yield operation, the \$40m does not represent direct capital investment.

Good initial sales of retirement bonds

BY CHRISTOPHER HILL

SALES OF index-linked retirement certificates for people of pensionable age got off to a good start after they were launched on June 2.

During the first week sales amounted to £10,000, and for the second week £16,500, and for the third week £18,100, the figure for the last week of June is still uncertain, but it looks as if the total for the whole month will be around £50m.

Figures for the first eight days of the new index-linked SAYE plan—launched on July 1—indicate that completed applications have been received at a rate of 6,000 a day from a wide range of sources including clearing banks and employers' schemes. The total number of forms received is 47,000 (including 20,000 pre-launch) and the average monthly value of a contract is just under £14. This is higher than that of the previous SAYE plans.

Barclays Bank said yesterday that SAYE proposals have had been going extremely well through its West End branches and that there had been a "fair amount of interest" throughout the country. As for the retirement certificates, reports from the building societies are mixed. Abbey National, for example, reckoned the lowering of the

Advice for boat owners

SMALL-BOAT owners who put their lives in danger through carelessness are criticised in a Government handbook published today. Lifesavers are often not helped even if they are available in the boat, says the handbook, published by the Department of Trade.

The handbook warns that many incidents arise from lack of forethought, carelessness such as running out of fuel and lack of alternative means of propulsion.

It ascribes a large proportion of the increasing number of incidents to small pleasure craft, which were vulnerable in bad conditions. The occupants normally had limited resources for survival if the boats foundered, and few had radio communications. The handbook is published by HMSO at £1.50.

SALE ROOM BY ANTHONY THORNCROFT

New world records at Sotheby's

SOTHEBY'S MAJOR summer sale of Old Master paintings proved extremely exciting yesterday. On the one hand, new world records were established for five artists; on the other, two of the major items, paintings by Canaletto, were bought in at £38,000 and £30,000 respectively. But in the main, this was a very successful sale, with a total of £1,016,250.

Among the records, the Broad Gallery gave £110,000 (was above the £70,000-£80,000 estimate) for a winter landscape by the 17th century Dutch artist Aert van der Neer. The previous record had been £54,000, established by Christie's in July 1972. A Dutch artist of the same period, Jan Steen, also hit a new high of £88,000, for a painting of a village scene of a milkman. Once again, the previous best had been set in the same Christie's sale, and was a mere £31,000. Yesterday's picture had been forecast at £50,000-£60,000.

The next record was the £58,000 paid by the London dealer Leggett for the Pompeii painting, in 1766, of the Earl of Hillsborough, later the first Marquis of Downshire. The picture had been sent for sale by the current Marchioness. Leggett had initially bid on behalf of the Ulster Museum in Belfast. When the museum reached its limit he continued bidding on behalf of a private collector who, when he secured the work, announced that it would be on indefinite loan to the Ulster Museum. The portrait had been estimated at £15,000-£20,000, in line with the 1973 record for the artist of £21,255.

The other records were the £33,000 paid by a Swiss buyer for a Pieter van Stillingendael portrait of a girl feeding a lamb, which more than doubled its forecast, and the £31,000, also given by the Broad Gallery's for a Philips Wouwerman view of the Customs house on the River Maas. It also comfortably doubled forecast and exceeded the previous best for this artist of £15,000.

Other good prices were the £31,000 (within estimate) for a Bruegel the Younger winter scene and £24,000 for a Ribbatt portrait of a Spanish knight and his wife, sent for sale by Sir John Eden.

Pictures were not the only record sellers at Sotheby's. The sale of medals and decorations, a new high of £9,800 was established for a British Order. It was given by Spink for a set of the insignia of the Order of the Thistle, awarded to William George Hay, 18th Earl of Erroll, in 1834. It had been forecast to make £6,000-£8,000. The mantle of the Order was bought by the Glasgow Museum for £350.

The other star item was a VC awarded to Lt. Col. Frederick Smith in the Boer Wars in New Zealand in 1904. This was the first New Zealand VC to appear in the sale room for many years and sold for £6,500, above the £4,000-£4,500 estimate. This was also bought by Spink against strong bidding from Hayward's, acting on behalf of the Green Jackets, the regiment which ultimately absorbed Smith's 43rd Light Infantry.

Christie's held two highly satisfactory sales of jewels and modern sporting guns, where virtually every item sold and prices were generally above, or around the top of, the estimates. Among the jewels, the top price was the £11,000 paid by Abrams for a pair of emerald and diamond earrings, with Graft giving the same for a diamond wrist-watch. A ruby and diamond necklace went to Music for £9,000. The sale, which was 99 per cent sold, made £118,077.

Among the sporting guns, which realised £68,282, a pair of 12-bore sidelock engraved guns by James Watson & Co. were sold by J. Purdy for the same price. A French buyer gave £8,250 for a similar pair by Boss. Both sales showed the underlying strength of jewels and guns, which are portable, intrinsically valuable and easily disposable and sporting guns do well because the top makers cannot always immediately meet the demand.

At Robson Lowe, the two-day sale of British stamps totalled £58,504, with a price of £575 for a proof of the 1887 6d mauve; £540 for a 1915 bright blue 10s stamp, and £400 for a pair of Edward VII 1d green. The big price for this last lot, which was estimated at £350, is attributed to the TV series on Edward VII.

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GOLF: THE OPEN CHAMPIONSHIP BY BEN WRIGHT

Good start for Oosterhuis

CARNOSTIE, July 9. WITH GENTLE rain falling on the last quarter of the first round in the 104th Open Championship here this cool, grey evening, the teeth of what 1974 U.S. Open champion Hale Irwin were as a sleeping giant have been momentarily drawn. Yet few golfers are taking advantage of the most benign day-long conditions, after heavy overnight rain, one can remember here for many a long year. Only 11 players have so far beaten the par of 72 over this 7,068 yards course and, praise be, Peter Oosterhuis is the current leader with a four-under 68, one ahead of the big shot from North Berwick, David Hush, and the bespectacled Irwin.

This trio has another stroke to spare, or two in Oosterhuis's case, over Rhodessa Simon Hobday, and Irishman Paul Leonard, the man who puts with his right hand on the shaft only a foot above the ground and is left in the orthodox position.

At 71 lurks the brilliant American Johnny Miller, George Burns, the big American Walker Cup player who turned professional little more than a week ago, and Roberto de Vicenzo, the golfing grandfather from the Argentine who came home in 1933 sparkling shots this morning, Brian Barnes, and a new Australian Michael Campbell.

A superb 72, and they include the American Eddie Pearce and Hubert Green, Welshman Brian Huggett, Australians Neil Nagle, the top scorer on the British tour, and Graham Marsh, of those likely to be involved in the shake-up on Saturday evening. At 73 come Tom Weiskopf and Australian veteran Peter Thomson, 56, times champion.

Irwin gave no hint of the fireworks he stood on the tee at the 524 yards 6th hole two over par. But he hit the green here for the first of seven birdies in the next ten holes. He chipped in from the back of the 17th green, and holed out from 20 feet for a third successive birdie at the 8th.

A glorious four-wood shot to the tenth green set up another birdie from eight feet, and Irwin rolled in a 38-foot putt at the next. He was badly bunkered at the long 12th and had to bunker his second at the 13th, but he was not to be deterred. A birdie was gratefully accepted, and so was another at the 15th where Irwin holed from 12 feet. But he bunkered his second at the last after a poor drive and dropped a shot to move out of a share of the lead with Oosterhuis.

As I speak the incredible Jack Nicklaus has just overhauled Oosterhuis and gone five under par with three holes to play thanks to birdies at the 11th, 12th and 15th holes, and an eagle third at the long 14th. Nicklaus, the former world and Australian champion, has been playing since the 1960s, and was a five-hole under par at the 1968 Open. He was a four-hole under par at the 1972 Open, and a five-hole under par at the 1974 Open. He was a four-hole under par at the 1975 Open, and a five-hole under par at the 1976 Open. He was a four-hole under par at the 1977 Open, and a five-hole under par at the 1978 Open. He was a four-hole under par at the 1979 Open, and a five-hole under par at the 1980 Open. He was a four-hole under par at the 1981 Open, and a five-hole under par at the 1982 Open. He was a four-hole under par at the 1983 Open, and a five-hole under par at the 1984 Open. He was a four-hole under par at the 1985 Open, and a five-hole under par at the 1986 Open. 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New sculpture by Phillip King

by WILLIAM PACKER

The public commission is the natural means by which the sculptor may relate both himself and his work to society; but he seldom gets the chance. His materials are prohibitively expensive, growing ever more so, and what he does with them is likely to be misunderstood by the general public, prospective clients and public alike. He would have an easier time, no doubt, should he choose to make effigies of statesmen, generals and other benefactors, or try to help and encourage the enlightenment of the public by the kind of civic furniture familiar to us, and which, indeed, is often admirable.

But times change, and the artist helps to move them. To do his work he needs practical help, and encouragement, and enlightened patronage, which is in short supply. It is extremely heartening to know, therefore,

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for this is not the only recent example, that, even in such difficult times as these, some patrons still are prepared to make an act of faith in themselves and their artists, and risk the offending bias and noble that might befall the work. The Unknown Political Prisoner, twenty years ago, and which lives on, cherished, in many planning departments. To celebrate the 150th anniversary of their foundation, Clark the shoe manufacturer engaged Phillip King to make two sculptures for a site at their headquarters. King is one of the most successful of the young sculptors who made their names during the sixties, and he now enjoys an international reputation; yet, though he shows order of its composition, as its regularly at the Rowan Gallery, and has taken part in most of the important sculpture exhibitions, here he is hardly known outside the small Art World.



John McGuire and Jon Vickers in 'Peter Grimes' which opened last night at Covent Garden

Covinn McCortly

Record Review

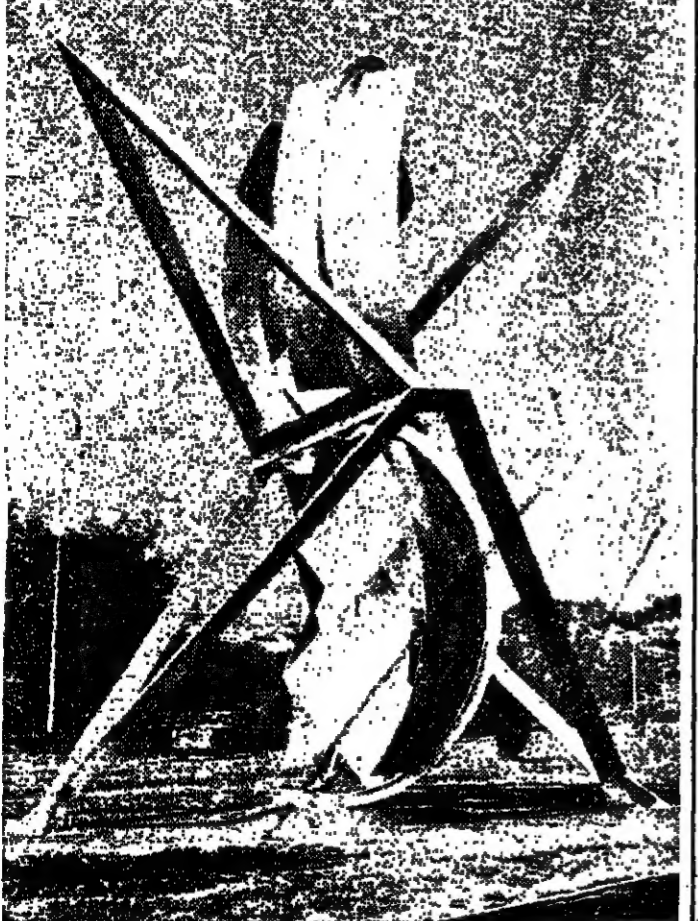
Mahler's Fifth

by GILLIAN WIDDICOMBE

Mahler's Symphony No. 5 in C Minor, Kindertotenlieder, Christa Ludwig Berlin Philharmonic Orchestra/Karajan Deutsche Grammophon 2707081. 25.90

Karajan's recording of Mahler's Symphony No. 5 is a masterpiece of performance in every way worthy of one of the most influential conductors of the 20th century. It is the first Mahler symphony Karajan has tackled, and he brings to it the same dedication and insight as he has to his other recordings. The music is a masterpiece of emotional expression, and Karajan's performance is a masterpiece of musical interpretation. He brings to the music a sense of its grandeur and its beauty, and he makes it a masterpiece of musical interpretation.

all its glory. Strictly speaking, he has cheated, for the acoustic manipulations in this movement are comparable with the work of that veteran knob-twiddler, Stokowski. The echo effect of violins in octaves is exaggerated by film reverberation added in the studio (and it is at this point that one realises how far Mahler has travelled since the death of Bruno Walter) and when Mahler writes one of his frenetic messages—"Veil Ton!"—over the final fortissimo climax, the BPO's string tone sounds enormous. The balance is expertly seamed, however, and veiled lyricism, sad and expressive, with a soft cantabile line and swaying tune. Karajan sees Mahler as an outrageously sensual orchestrator, not an overgrown song writer, and spins the movement out into an exposition of romantic sonority in gramophone.



Phillip King: Clark's Diamond Sculpture

Arts news in brief

The Hungarian film *Adoption*, directed by Marta Meszaros, won the Golden Bear award at the 25th Berlin Film Festival. The international jury praised the film for its "unsentimental handling of a generally current topic and for its persuasive human presentation."

Silver Bears, awarded as special prizes by the jury, went to the British film *Overlord* and the French film *Monseigneur Dupont*.

Overlord is about a young British soldier's experiences prior to the Allied War II. The jury said that the film, directed by Stuart Cooper, stood out for its "poetic combination of documentary and artistic material and for its honouring of the unknown soldier."

Karajan is sometimes (and often in this country) criticised for the super-smoothness of his work. Forgiving, say, in Brahms symphony, and in Mozart particularly, the impression that his orchestra is presenting a gift-wrapped parcel on a gold saucer: lyrical veins, rhythmic thrusts and dramatic moments smothered by the tone of the BPO, as slick, sweet and disguising as honeysuckle perfume. Maybe the Protestant Ethic is responsible for the not uncommon suggestion that a slightly rough-edged, hard-worked, fervour is more honest and exciting, particularly where Mahlerian sweat and frenzy are concerned; and that Karajan's premise that every note and tack within the orchestral canvas must be beautiful is somehow superficial.

Happily for those who admire his ability to organise musical sonority, and irritatingly for those who consider his work cold and glossy, Karajan has recently extended his repertoire (at an age when most conductors cut down drastically) and upset those arguments suddenly. The first upsetting was his extraordinary recording of the orchestral works of Schoenberg, Berg and Webern a few months ago, which brought to the toughest and most fragmented of those essays in orchestral (and instrumental) difficulty a sense of

Ludlow Castle

Twelfth Night

by B. A. YOUNG

Ludlow, en fête for the 73rd birthday of the 30th century, offers a sun-enriched Twelfth Night in the fine open-air set within the Castle's red stone walls. Philip Groust is the director. In his *Othello* here last year he made little concession to the alfresco situation; this year he has gone out for visual effect, sometimes with some unexpected notions.

For instance, his Viola is a Sebastian as black. Why not? It immediately emphasises their foreignness in Orsino's territory, and a very entertaining one, bald Indianapolis-born Suzanne Stone makes a fine boyish Viola, and can melt into a truly girlish sentiment; this is definitely one to watch. Joseph Charles is a good optical match, though hardly a dramatic one; they both look pretty in their rainbow scarves above trendy white capes.

Apart from Gavie Hunnicutt's Olivia, the well-known names are for the comic parts. Miss Hunnicutt was brave to make her Shakespearean debut in the open-air, and her courage is justified. Sometimes there is little monotony in her delivery as she battles with the distance, but her voice is limpid and wide-ranging, and she combines ravishing beauty with a cool dignity that she is capable of dropping momentarily to good effect. Equally romantic is David Delve's handsome Orsino. Sir Toby is Rupert Davies, Sir

Soho Poly

Gem

by MICHAEL COVENEY

Barrie Keeffe's lunchtime play smells of first-hand knowledge. Four young Holborn office-workers are stranded on the far side of a cricket field as the firm's team takes on an Essex division side. Kev (Will Knightley) has encouraged the others to this isolation as a sullen gesture against the plaid-striped brigade, their supercilious manners and their ignorance and incompetence at work. Kev invokes the name of Olive Jenkins as the potential scourge of these hearty executives, although he spends more time muttering about the traitorous participation in the game by a young black colleague than he does expounding his plan of campaign.

The character of Kev and the world he works in and despises is vividly transmitted in both writing and performance. The scores a heroic and matchless frustration of the bright grammar school boy with a few O-levels inescapably trapped in the city is strongly drawn; whereas many such boys might immerse themselves in the solidities that Kev, perhaps, won't. The director is Keith Kev has chosen to resist that Washington.

Paris theatre

Genet's 'Le Balcon' by MICHAEL PEPIATT

Fifteen years after its first performance in Paris, Jean Genet's *Le Balcon* has been put on in a new production by Antoine Boursseiller at (what is now called) the Théâtre Récamier-Boursseiller. It is a long, very verbal and often brilliantly poetic work; the text runs to well over twice the length of *Les Bonnes*, for instance. The main theme of the play—the power and reality of illusion—becomes diffuse and difficult to follow in the twists and turns of ideas leading from one "tableau" to another. Despite Genet's understandable protest (in his notes on *Comment jouer 'Le Balcon'*) against cuts being made, one feels, both when seeing and when reading the play, that a less labyrinthine, more compact version might well be more satisfying.

Antoine Boursseiller has in fact made a few cuts, but even here comes a point, about halfway through, when one's attention wavers and never regains its earlier intensity. One can imagine Genet's displeasure on learning that a New York production of his play had been made, one feels, both when seeing and when reading the play, that a less labyrinthine, more compact version might well be more satisfying.

could produce a brothel equipped for sexual fantasies of such subtle fervour. One by one, clients act out their secret desires with the help of props and partners. A "bishop" (admirably played by Henri Tiet) indulges his special taste for hearing confessions (in this case, of a transvestite); a "general" mounts his whoope-horse and rides towards a glorious death in battle (Jean-Paul Farré and Daisy Amias are remarkable in the way they bring out the poignancy of the scene).

In capturing the particular bereavement and vulnerability of these passions, Genet's poetry achieves an extraordinary unity of sensuality and tenderness. It is as though a hidden order of emotion had been revealed: secret voluptuousness is not only expressed, but given full, aesthetic form. These scenes are deeply moving, but the impact that they give to the play diminishes and is finally lost in the complexities of the second half.

There might seem little enough point in going to see a play, even a play one knows well, done in a language of which one doesn't know a word.

Armstrong concert

In my review of the Louis Armstrong Anniversary Concert on this page on Tuesday the solos by the National Youth Jazz Orchestra's trumpeter were incorrectly attributed. They were in fact played by 17-year-old Guy Barker, who, I am reliably informed, also sat in with Clark Terry at Ronnie Scott's; but on Saturday night/Sunday morning, well, done in a language of which one doesn't know a word.

This announcement appears as a matter of record only.

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July 1975

WORLD TRADE NEWS

Davy to build £25m. plant in W. Germany

By Ray Dafter

DAVY POWERGAS, part of the Davy International group, is to build a £25m. chemical plant in West Germany.

Scheduled to come on stream in the autumn of 1977, the plant is likely to be the first petrochemical unit to use natural gas from the Norwegian sector of the North Sea. The contract has been awarded by Dyno Methanol Industrie, a newly-formed German subsidiary of the Norwegian chemical and industrial group Dyno Industrie.

The plant, to be built on a new site at Emden, in Lower Saxony, is designed to produce 1,000 tons a day of methanol. Its design is based on a process developed by the agricultural division of Imperial Chemical Industries. Some 23 plants have been built worldwide using this process, ten of them put up by Davy Powergas.

The unit will also employ a "reduced energy/low carbon" concept developed jointly by Davy and ICI. Davy, the U.K.-based contractor, said that the contract was won by its German subsidiary against strong competition from international companies proposing alternative technology.

Davy will be responsible for the project management, engineering, equipment, procurement, construction supervision and start-up assistance.

Feedstock for the plant will be natural gas from the Ekofisk Field. The gas will be piped to a new terminal at Emden, some six kilometres from the methanol plant. Dyno uses considerable quantities of methanol in the production of formaldehyde, wood glues and plastics and the development should enable the group to develop further in these sectors.

Export Contracts

AMPEX CORPORATION will build a videoflex information system costing \$4.5m. over the next two years for the Metropolitan Police, New Scotland Yard, to assist the fingerprint identification process.

AFV-PARAMOUNT will provide 138 catalyst tubes worth £250,000 for a steam reforming furnace of the Tarris refinery, Iran.

KASPARIAN, Basildon, Essex, has a three-year order worth £1m. from its U.S. distributors HMS Marine, Michigan, for racing and family boats.

BOC reports orders worth \$575,000 for welding and cutting equipment from South Korea, Egypt and Cuba. Hyundai's latest order from South Korea is for \$250,000 of multi-operator transformers, raising to £1m. the equipment sold to Hyundai shipyard over the past 12 months.

QUINTON HAZELL will supply vehicle spares valued at \$21,000 to Czechoslovakia.

Recession cartel by Japanese specialist steel makers

TOKYO, July 9.

THE SMALLER Japanese steel mills specialising in operating open-hearth and electric furnaces plan to form a recession cartel to reduce production of steel bars, the Open-Hearth and Electric Furnaces Ordinary Steel Council states.

The council hopes to carry the cartel into effect for six months, starting in October, subject to approval by the Fair Trade Commission.

The rate of curtailment is currently being discussed by council members.

German loan for Malta

By Our Own Correspondent

VALLETTA, July 9.

WEST GERMANY has given Malta DM32m. (\$5.26m.) soft loan, repayable in 30 years. The accord was signed to-day following three years of negotiations aimed at improving the terms. The West German government eventually lowered its interest rate to 2 per cent, and removed conditions binding Malta to use the loan only for the purchase of German goods.

The major part of the funds, DM22m., will be handed over this year, with the remainder received by Malta by 1978.

Malta will be able to purchase raw materials, chemical products and spare parts with the money, ships and aircraft, however, must be purchased from German companies. Authoritative sources here said there was a distinct possibility of Malta purchasing a vessel for its national shipping line Sea Malta, and also oil products.

The deal cannot finance the purchase of commodities, the sources added, thus denying reports that the loan was to finance bulk purchases of foodstuffs.

Israel steps up chemical output

By L. Daniel

HAIFA, July 9.

HAIFA CHEMICALS, a company owned by Haifa Refineries, is about to double its output of potassium nitrate. Established in 1967, the company now produces 105,000 tons of potassium nitrate annually—both fertilisers and technical grade—by a process invented by Israel Mining Industries, which is said to cost half that used by other companies.

A \$30m. expansion programme is under way, and it is expected that the new capacity will be on stream in 1977.

All but 3 per cent of production is exported, with 1975 income expected to reach \$25m. f.o.b. Some 40 per cent of sales are to Common Market countries, where the company is buying \$7m-worth of equipment annually.

In addition to potassium nitrate, the plant is producing 13,000 tons per annum of technical grade phosphoric acid (expressed as P₂O₅) special complex fertilisers, magnesium nitrate and zinc nitrate solutions for foliar spray and technical phosphate salts.

Cyprus trade gap halved

By Our Own Correspondent

NICOSIA, July 9

THE TURKISH invasion of Cyprus last year badly disrupted the island's economy and halted the impressive growth—but, ironically, it has helped to more than halve the trade gap.

Official statistics show that imports in the first four months of 1975 totalled \$382m. against \$73.8m. during the same period last year. Exports dropped from \$21.1m. to \$14.9m.

The trade deficit thus decreased to \$232.9m., compared with \$252.5m.

Exports for April alone were just over \$4m., against \$2m. last year, while imports reached \$21.1m.

The U.K. was again the island's best trading partner. During April it bought Cyprus products worth \$1.1m., followed by Libya (\$234,000). Imports from the U.K. reached \$2m.

Mr. John Christodides, Minister of Foreign Affairs, back from a meeting of the Cyprus-EEC Association Council, said Common Market ministers had responded positively to the Cyprus request that the European Community should take more of its manufactured and agricultural products to help in the reactivation of its economy, following the war last year.

JAPAN REDUCES SOME TARIFFS

BRUSSELS, July 9.

JAPAN HAS cut import duties on some EEC products in an effort to compensate for the 17 per cent tariff on Japanese import tariffs on ski boots. EEC Commission officials said to-day.

The EEC ranks as main supplier of ski boots to the Japanese market.

The tariff cuts add up to \$1,600 (\$247,000), against the \$280,000 extra revenue expected from the ski boot increase. They apply on a number of synthetic fibres, marble products, glass mirrors, electrical calculators, cigarette lighters, certain types of furniture and musical instruments and tractor engines.

Ford move to ease American arms embargo on Turkey

BY PAUL LEWIS, U.S. EDITOR

WASHINGTON, July 9.

PRESIDENT FORD to-day scored a victory in his campaign to lift the Congressionally imposed embargo on U.S. military supplies to Turkey — though it is still unclear whether he is going to succeed.

After a breakfast meeting with over 100 members of the House of Representatives, the President said now he had gained the support of Congress to ease the embargo on a compromise bill that would allow Turkey to collect \$70m. worth of equipment bought before the embargo took effect.

The compromise formula would also allow the Turkish Government to purchase further military supplies from private American contractors out of its own pocket. However, it would continue to be ineligible for U.S. military aid.

The chairman of the House

Foreign Affairs Committee, Mr. Thomas Morgan, said that his committee would be holding hearings on this proposal to report on and that it hoped to report on the compromise bill in time for a floor vote in the House next week.

However, it is still not clear whether the Administration can count on the full House reversing the 200 vote margin by which it supported the embargo, in favour of this compromise which involves no known concessions by the Turkish Government in its policy towards Cyprus.

To-day, aides to Mr. John Brademas (Democrat-Indiana) who lead the House movement along with other Congressmen, rejected the Ford compromise and predicted that the House would not pass it unless the Turkish Government softened its Cyprus stance.

The Senate has already agreed to lift the arms embargo under strong pressure from Administration, which argued that it was impeding a Cyprus settlement, disrupting NATO and undermining America's relations with Turkey. However, the House has refused to follow suit so far, and the Turkish Government's threat to renegotiate the status of U.S. military bases in Turkey if the bill is not lifted by July 17 seems, on balance, to have made a difficult situation worse.

The Administration is clearly worried about this threat. On the other hand, Dr. Kissinger publicly rebuked the Turks for making a speech in Ankara a few weeks ago—saying that the U.S. regarded its security treaties with other countries as being a matter of mutual interest.

Ashland Oil was CIA conduit

BY GUY DE JONQUIERES

NEW YORK, July 9.

ASHLAND OIL, already under heavy fire for inadequate financial reporting, has admitted acting as a conduit for payments from the Central Intelligence Agency used to finance covert intelligence activities abroad.

According to a report which the company has filed with the Securities and Exchange Commission, Ashland received almost \$100,000 from the CIA over five years. The specific use of the funds and where they were spent has not been disclosed, though Ashland has operations in about 70 countries.

The payments have been confirmed by the CIA, amid indications that it has used a number of other American corporations as "covers" for funds transfers. The New York Times quoted an unidentified CIA lawyer as saying that the Ashland case was "not an isolated practice," though he declined to give further details.

There has been one other instance to date in which the CIA

is known to have used the offices of a U.S. company for covert operations. This was the construction and operation by Global Marine of a ship commando by the CIA to raise parts of a sunken Soviet submarine from the floor of the Pacific Ocean.

The Ashland report discloses that the company received five payments totalling \$98,868 from the CIA between December, 1968, and March, 1973. Roughly half the total was paid in the form of two cheques and the rest was in cash. The cash was kept in a company safe before being transferred to a corporate bank account in New York.

According to the report, \$26,000 was withdrawn from the account at one point and transferred to "an unidentified third party." The sum was originally charged to the account of Ashland, Indonesia, but Mr. William Seaton, Ashland's vice chairman, is quoted in the report as saying that the money may have been used in connection with the company's

activities in the Philippines. Citing an unidentified Government official, the Wall Street Journal reported to-day that CIA payments were all used to reimburse Ashland for the salaries of CIA agents which had been paid initially by the company.

According to the same official, Ashland became unintentionally entangled with the CIA on at least one occasion. The company is said to have purchased a smaller concern several years ago, only to find out that it had been set up by the CIA as a cover for intelligence purposes. Ashland apparently agreed to pay salaries of the concern's employees and was later reimbursed by the CIA.

The report, which contains few specifics, submitted to the Securities and Exchange Commission, is intended to account for a number of Ashland's unrecorded transactions in the U.S. and abroad and for some \$800,000 corporate contributions in the U.S., most of which were illegal.

U.S. seamen's union probe

By Jay Palmer

NEW YORK, July 9.

MANY former and present members of the U.S. National Maritime Union, which represents about 25,000 American sailors, are now known to be under investigation and facing possible charges by a New Jersey federal grand jury.

The Government's charges are understood to include allegations of bribery, kickbacks and payments from the N.M.U.'s law firm, various shippers and investment brokers. Other possible allegations centre on misappropriation of union funds, tax evasion and labour malpractice.

Rockefeller 'not on team'

BY ADRIAN DICKS

WASHINGTON, July 9.

PRESIDENT Ford feels he has no commitment to take Mr. Nelson Rockefeller as his running mate in next year's election campaign, and will leave the Vice-President to fend for himself between now and the Republican party convention, the President's newly appointed campaign director, Mr. Howard Callaway, said to-day.

Mr. Rockefeller would not be "on the team," Mr. Callaway added, "because we're not going to alienate persons who don't support the Rockefeller campaign." The campaign director's remarks this morning were the first bow by the President's supporters towards the Right-wing of the party, where Mr. Ford still faces a potential challenge from well as the Centre of the party.

Mr. Ronald Reagan, the former Governor of California, Mr. Rockefeller has been anathema to conservative Republicans ever since he refused to endorse Senator Barry Goldwater's presidential candidacy 11 years ago.

Meanwhile, it has been revealed that a campaign committee has been set up to collect money for Mr. Reagan's campaign, although he still declines to confirm that he will run. Senator Goldwater and other conservatives have, however, warned Mr. Reagan that unless he moves soon to enter next year's campaign, he will be seen as a primary and to canvas support for his constituency on the Right, as well as the Centre of the party.

ELECTRICITY SUPPLY IN ZAMBIA

A power of difference

BY JOHN LEECH

ONE OF the most successful economic developments in Zambia, since independence in October, 1964, has been the way in which electric power supplies have risen close to the point of self sufficiency, despite a dramatic rise of demand. In 1964 the position was perilous, with only 250MW of capacity within its own borders and the bulk of supplies from the south bank of the Kariba hydro-electric project.

While this does not quite meet demand, the government now only awaits the completion, expected soon, of the generating station on the north bank of Kariba to have a comfortable surplus for the first time in its history.

The situation is unlikely to remain static, however, as the country continues to develop. Arrangements are in hand for further increases in supply, with stages two and three of the Kafue hydro-electric scheme, first commissioned in 1971.

The prime motivation for this swift development programme lay in the political fears generated by the confrontation with a Rhodesia holding in its grasp the means to plunge Zambia's key copper industry into idleness. But the development programme has not neglected the rural areas, to which Zambia continues to look for the principal means of diversifying its economy.

A glance at a generation and transmission map of Zambia to-day shows that all the main power, Rural electricity development has been particularly noticeable in the Southern and Central Provinces. They contain some of the country's best mixed farming land, being in former days the centre of commercial-scale White farming and which produce most of the staple maize diet.

Even the previously neglected Northern and Lusitania Provinces, which, despite considerable concentrations of population, have not in the past been regarded as potentially highly productive areas, now enjoy a relatively widespread network of power supply points. Much of the planned further development is scheduled for those "green" areas of Zambia development.

That progress will be particularly important for development of the Northern Province where, it is hoped, the advent of the Tanzam railway will lead to important new agriculturally-based industries. They could include cattle ranching, sugar farming and cottage industries which would help to reverse the urban drift to the towns along the present line of rail.

For Lusitania, heavily populated and under-productive, power supplies should lead to a major leap forward in development of the fishing industry, based on the abundant lakes and rivers. More progress could follow in timber exploitation and, possibly, revival of its long-dormant quarrying and manganese industries. The annual growth of rural supplies has been an astonishing 20 to 25 per cent.

The copper mining industry

held in increasingly unfriendly political hands as neighbouring Rhodesia declared itself independent.

Zambia's total installed generating capacity within the country has since been increased almost four fold, by a steady programme of development to more than 1,035MW. If Zambia's share of Kariba South is added, the total available power rises to some 1,385MW.

As a result of this need for speed, the programme has not been achieved without considerable extra cost both to the Zambia scheme and to the

assumption of human and material resources. During the ill-starred Federation of Rhodesia and Niasaland, development of the \$5m. first stage of Kariba Dam was pushed through, largely as a prestige project, by Lord Malpas, Salisbury Government.

That was at the expense of a similar project on the Kafue River, 50 miles south of Lusaka, on which \$2m. had already been spent by the colonial regime in Northern Rhodesia.

After UDI, with fears of a unilateral cut-off by Salisbury increasing and Kariba's debts to the World Bank under default by the Rhodesians, the Zambians began seriously to fear for the future of the copper industry. Both sides put armed guards on their ends of the dam wall and there was even a plan, during the World War, for British forces in Zambia in 1965-66, for a pre-drop by British airborne forces to retake the vital power station and switching house on the south bank, in the event of a Rhodesian seizure.

The Zambians quickly set about attempting to revive the Kafue scheme, but it was not until 1971, after considerable searching round for finance, that Stage One of Kafue was begun at an estimated initial cost of \$34m.

Just as with Kariba, where there was resistance by local businessmen to moving to higher ground, Kafue also led to some potentially tricky political and sociological problems. They have been overcome, for the time being at least, by a restriction of the first stage to the Kafue Gorge.

Realising that Kafue One was not going to meet the country's rapidly rising power needs, the Zambian government turned again to Kariba. Construction of the long-delayed North Bank powerhouse for Kariba was undertaken, where scouring problems resulting from the imbalance of the scheme were already causing problems.

So, another \$28m. was sunk in a major hydro development in which rock problems played a part in the bankruptcy of the major British contractor, Mitchell Construction. Stages Two and Three of Kafue will add 780MW to Zambia's available generating capacity, and Kariba North a further 600MW, though from that must be subtracted some 300MW in respect of Kariba South. When completed, Zambia will have achieved the remarkable feat of increasing its power capacity since independence almost tenfold.

While the British Government makes up its mind about MPs' pay, the U.S. Congress is afraid to increase its own members' salaries. Adrian Dicks reports from Washington.

A freeze amid plenty

BY MOST PEOPLE'S standards, and certainly those of their hard-pressed British counterparts, the 535 members of the U.S. Congress are living on Easy Street. They draw an annual salary of \$22,500, which is more than many might count on making in business or law practice, but considerably more than the \$38,000 that is the maximum allowable by law to career civil servants, and has seldom been shy about yielding them. During the six months that the present 94th Congress has been in session, Senators have been allowed to take on three more staff assistants

more than a little embarrassed by these figures. They have tended to keep a decent silence about a case that can be made for the pay increase, mindful of the very visible target their way of life presents to any small-town populist challenger.

Excess there has certainly been, as almost any Senator or Representative would probably admit. The Congress has unlimited power to set its own pay, and has seldom been shy about yielding them. During the six months that the present 94th Congress has been in session, Senators have been allowed to take on three more staff assistants

One argument which obviously finds a echo beyond Capitol Hill itself is that Congressmen need to be assured of a standard of living high enough to discourage them from accepting potentially compromising presents or hospitality. The same argument can be made in support of free travel and the other benefits. Alternatively, it can be said that higher pay would free them of the obligation to spend a lot of time giving lectures or making speeches for inflated fees, as many now do to supplement their incomes. No one disputes that members of Congress are forced into an expensive way of life, usually keeping up two homes—one in Washington and one elsewhere—especially expensive. If Congressmen cannot live within their means there is no shortage of lobbyists willing to help.

A second consideration, which applies more to the indirect benefits of Congressional office than to salaries, is the increasing complexity and volume of work in Congress. The parallel with the British Member of Parliament, never an exact one, breaks down when one examines the much greater scope individual members of Congress have for drafting, introducing, and managing their own bills. It also founders on the much greater power and responsibility of U.S. Congressional committees in shaping legislation.

Ironically, the members of Congress have not been the greatest sufferers from what has virtually been a freeze of salaries since 1969. Congressional pay is only one part of the overall hierarchy of salaries for the top few echelons of the American Government, and by tradition it stays in step with the others.

At the top of the pyramid, the President receives \$200,000 a year, plus expenses. The Vice-President, the Speaker of the House, and the Chief Justice are each paid \$82,500, with the members of the Cabinet and the eight associate Supreme Court justices a notch behind with \$60,000. The majority and

minority members of the two houses draw \$46,500, with remaining Senators and Congressmen circuit court judges and heads of sub-cabinet level government departments level at \$42,500. Next come district court judges and chairmen of major boards and commissions at \$40,000. Together with top members of the White House staff, after all these come lesser political appointees at \$38,000, and the top federal civil servants and senior congressional staff drawing only \$36,000.

The ceilings have kept the public sector, in whole or in part, below business, industry or professional practice, and the effect in a period of inflation has been to step up the exodus of public servants for higher salaries elsewhere. Federal judges in several areas have resigned, complaining that they could not make ends meet. The turnover of lawyers in some departments is said to be as high as 100 per cent a year, while Mr. Jack Bennett, former Under Secretary of the Treasury for monetary affairs, stated when he abruptly quit his office last month that he could not afford to remain.

The remedy for this increasingly worrying situation lies mainly with Congress, which got as far as reviewing a scheme last November which would have raised the ceiling all round by \$10,000. It balked at taking action in the absence of any encouragement from the President, who is deeply committed to keeping a brake on public spending. However, while Congressmen themselves have many opportunities to recover their forgone raise through higher expenses and allowances, there is no such opportunity for those in the executive and judicial branches to insulate themselves from the cold draughts of inflation.

"All told the cost of each member of Congress has been calculated at over \$600,000 a year."

And Representatives two. And at a time when members of all shades of political opinion are publicly calling for control of the federal deficit, they are also contemplating a couple of new office buildings. In the past 20 years, the combined staffs of the Senate and House have increased fourfold, while the \$326m. budget is almost eight times greater. If the growth rate of recent years were sustained, the Congressional budget would top \$1bn. by 1983.

In the face of Congress' insatiable appetite for growth, some critics feel the time has come to call a halt. Do bigger staffs and more expensive facilities actually help members perform their tasks more efficiently? Or do they serve mainly to gratify many Congressmen's taste for building themselves little empires? The 94th Congress, where the Democrats have a nominal "veto-proof" majority, has been ineffective in its efforts to implement a bold programme of action designed to seize the initiative from President Ford. There are many who feel that what it lacks is not resources but political will-power.

Yet there is a case for increasing Congressmen's own salaries, even if most of them are reluctant to try to make it with the 1976 elections already on the horizon, and the public no less disenchanted with politicians and their ways than it was during Watergate.

The remedy for this increasingly worrying situation lies mainly with Congress, which got as far as reviewing a scheme last November which would have raised the ceiling all round by \$10,000. It balked at taking action in the absence of any encouragement from the President, who is deeply committed to keeping a brake on public spending. However, while Congressmen themselves have many opportunities to recover their forgone raise through higher expenses and allowances, there is no such opportunity for those in the executive and judicial branches to insulate themselves from the cold draughts of inflation.

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AUTHORS WANTED

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COLD STORAGE HOLDINGS LIMITED

Annual Report And Accounts
For The Year Ended
31st January, 1975.

Extracts from the statement of the Chairman, S.R. Parker, to be presented at the Annual General Meeting of the Company in Singapore on 18th July, 1975.

GROUP PERFORMANCE

Group sales advanced to \$316,000,000 from last year's level of \$314,000,000 whilst consolidated net profits before charging taxation amounted to \$260,261,000 compared with \$219,915,000 for the previous year.

DIVIDENDS

Your Board now recommends a final dividend on the increased capital of 7½ cents per stock unit. The total dividend of 14½ cents per stock unit requires an appropriation of \$36,664,262 compared with \$26,104,666 last year.

GROUP OPERATIONS

This has been a difficult year for our manufacturing and trading operations, characterised by very steep and unavoidable rises in raw ingredients, materials, fuel and labour costs. Overall Group profits have been maintained at last year's level in view of the success of our major operating divisions in improving their sales and productivity, thereby enabling us to absorb the substantial cost increases. In the latter part of the year, several new projects made positive contributions to Group profitability.

PROJECTS

Capital expenditure in 1974 reached a record level of \$20.6 million which has been provided entirely out of internal resources of the Group. Expenditure on new developments in the current financial year will also continue at a substantial level.

OUTLOOK

Continuing inflation, and the present depressed level of world trade provide the setting for a generally adverse economic background against which Group prospects must be considered in the current year. In these circumstances it is encouraging that in the first quarter of the year we have been able to hold profits at last year's level and, with an increasing contribution from new projects, we expect a rising trend in profits to be resumed in the latter half of the year.

SALIENT FIGURES FROM THE ACCOUNTS

Year ended 31st January	1975	1974
Turnover	\$316,000,000	\$314,000,000
Group Profit before Taxation	20,261,000	19,915,000
Group Profit after Taxation attributable to stockholders	11,867,000	10,481,000
Dividends (net) interim and proposed final	6,664,000	6,105,000
Earnings per stock unit	14.4 cents	13.5 cents

Head Office: Cold Storage Group of Companies, Empire Deck, Singapore 4.
Australian Agents: G.S. Vulliamy & Co. Pty. Ltd., 3 Spring Street, Sydney N.S.W.
London Agents: Yulet's Ltd., Botolph Claydon, 10 Eastcheap, London EC3M 1AS.

HOME NEWS

Sun Alliance to raise private motor premiums on August 1

BY ERIC SHORT

SUN ALLIANCE and London Insurance, one of the country's leading insurance companies, is to increase its premium rates for private motorists on August 1, only four months after the previous rise.

This is the first time a major motor insurer has reviewed its rates within six months of a previous increase.

Details were also revealed by two other motor insurers—Provincial Insurance and National Insurance and Guarantee—where motor premiums were increased from July 1, six months after the previous rise.

Sun Alliance, which insures about 300,000 private motorists, is increasing its ordinary motor rates and its special motor plan by an average of 16 per cent. The rise last April was an

average 7 per cent for ordinary rates and 10 per cent for the motor plan—which has reduced premiums under special conditions.

Sun Alliance is thus reacting to the problem of rising costs of claims and repairs by making frequent but comparatively small adjustments.

In contrast, Provincial Insurance, which also has about 300,000 private motorists on its books, has raised its motor premiums by an across-the-board 30 per cent, the highest increase seen so far by a motor insurer. (Prudential was previously the largest when it lifted motor rates earlier this year by an average 27 per cent.)

This follows an increase in private motor rates by Provincial

of 16 per cent, on average on January 1.

The combined effect of these two rate reviews is that motorists renewing their policies now are paying 50 per cent more than they did last year.

For instance, a motorist aged 35 living in Nottingham with a full no-claim bonus is now paying £38.50 for his motor premium on a 1,100-cc car compared with £25.50 last year—a rise of 50 per cent. However, Provincial had prior to this year kept its rates steady for over two years.

The company said that when it made its application for the January increase last September, its calculations were based on the experience of the first half of 1974. This had deteriorated over the second half by more

than had been anticipated and hence a further rise had been needed.

National Insurance and Guarantee lifted its premiums for private motorists from the beginning of the month by an across-the-board amount of 10 per cent. It previously increased these rates at the beginning of the year by the same amount. The company also has about 300,000 motorists on its portfolio.

The cost to insurers of their motor claims is linked to the garage charge rates, the price of spares and the amounts settled on claims by the court.

Last year, charge rates increased by 28 per cent, and spares prices by 36 per cent, while claims settlements have tended to rise at least with inflation.

Colour TV sales fall by 53%

By Arthur Sandles

ONLY 53,000 colour television sets were delivered to the U.K. retail trade in May of this year, a fall of 53 per cent on the 1974 figure for the same month and a dramatic illustration of the plight of television manufacturing, retailing and rental industry in the U.K. at the moment.

The one crumb of comfort in the figures, and it is a tiny one, is that imports dipped to around 15,000 sets in May, compared with a monthly norm of 50,000 in 1974.

Deliveries in May are in stark contrast to the quite good month of April, when there was a pre-Budget rush, and some people in the industry are surprised that there was any market at all in May.

Monochrome set deliveries

rose slightly to 70,000 in May compared with 64,000 in the same month of 1974. August system deliveries fell by 25 per cent to 38,000, and radio disposals were down by 20 per cent at 37,000.

Deliveries of colour television sets so far this year are down by 54 per cent, and the import share has fallen from 25 per cent to 14 per cent.

Last year a total of 2.2m. sets were sent to the home market, of which 1.5m. were made in the U.K. (rounded figures). The industry is still hopeful that some 1.7m. sets will be sold in Britain this year, but the worst selling months, August and September, have yet to come.

The figures are produced by the British Radio Equipment Manufacturers' Association.

Colour TV Manufacturers' home deliveries

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Public favours statutory incomes policy—PEP

BY WILLIAM KEEGAN, ECONOMICS CORRESPONDENT

THE BRITISH people are overwhelmingly in favour of the Government's proposed incomes policy being made statutory, according to a survey by the independent research organisation Political and Economic Planning.

In the survey, published this morning, PEP also claims that its findings indicate flat-rate limits of between 55 and 58 a week for wage increases would be more acceptable than the majority of the alternative 10 per cent ceiling.

The organisation implies that it thinks its survey may have influenced the Government already, in that the draft findings were made available to relevant Government departments at the beginning of its present review of possible anti-inflationary measures.

Two other findings which will be regarded as of some importance are:

—that pressure for redistribution of income under the aegis of a statutory policy is much more prominent among

union representatives of the lower-paid than the lower-paid themselves;

—that while agreeing inflation is "a very bad problem," people have even stronger views on the use of unemployment to cure it.

PEP comments: "Support for the measures is likely to be moderated unless the Govern-

ment takes action on unemployment. The use of unemployment as a strategy for controlling inflation is overwhelmingly rejected by all sections of the community."

The PEP survey was based on a representative sample of 2,364 adults drawn from 145 electoral wards in Great Britain, with interviews conducted in January and February this year.

As many as 80 per cent. of respondents believed in statutory policy, and 58 per cent. said they did so "strongly."

Some 70 per cent. regarded inflation as "a very bad problem" and 73 per cent. said they personally felt they were suffering from inflation.

PEP concludes that the messages of successive Governments have got through, and that there is much less ignorance or lack of concern about the problem than there used to be.

"Where (people) disagree with Government, implicitly or explicitly, is in seeing voluntary restraint as a reasonable or feasible course of action on their part."

"Rather, they look to Government to ensure that restraint is exercised evenly, consistently and equitably across the board, through national incomes policy."

PEP's survey on inflation was conducted by Mr. Daniel (23.30) U.K. and packing 20p. Research Publications Services, Victoria Hall, Fingal Street, East Greenwich, London, S.E.10.

More Home News

Page 10

Chrysler share of car sales down

BY PETER FORSTER

CHRYSLER U.K. car sales were severely hit last month by a combination of supply shortages due to strikes and the priority which the company gave to export orders.

Chrysler sold only 4,716 out of 100,644 cars sold in the U.K. in June, compared with 11,360 a year earlier.

Chrysler said yesterday: "Sales of June were affected by a lack of supply, due to strikes. The Stoke (Coventry) strike resulted in a production loss of about 9,000 cars. When the dispute ended the company gave priority to exports. Stocks for the U.K. market are, however, now reaching normal levels."

Nevertheless, Chrysler's factories are due to close down soon for the summer break and many dealers fear there will be no August deliveries until early August.

Chrysler has been giving priority to its large export order for Hunters in component form and assembled Avengers for Iran.

June's total car sales showed a drop of 181 per cent. over the same month last year, as registrations in the first six months

U.K. CAR REGISTRATIONS

	June '75	(% share)	June '74	(% share)
British Leyland	32,787	32.58	40,324	32.72
Ford	22,744	22.59	32,840	26.65
Chrysler	4,716	4.69	11,360	9.22
Vauxhall	8,238	8.19	8,469	6.87
Total British	68,601	69.35	93,514	75.88
Renault	4,230	4.20	5,672	4.60
Datsun	5,452	5.42	4,832	3.99
VW-Audi	3,788	3.76	2,950	2.93
Fiat	3,010	2.99	3,970	3.22
Total Imports	30,843	30.65	29,729	24.12
Total	100,444	100.00	123,243	100.00

of the year were 653,336, some 31 per cent. down on the first half of 1974.

Although British Leyland and Ford were also hit by industrial disputes in May and early June, both managed to improve their penetration levels last month compared with April and May.

BL took 32.6 per cent. of the market, compared with 32.7 per cent. a year earlier, and Ford gained 33.6 per cent. against 32.7 per cent.

Once again Ford's Escort and

Datsun was once again the leading importers, with its Sunny seventh in overall popularity. The Japanese manufacturer's 5.4 per cent. share of the market in June was followed by Renault's 4.2 per cent., VW-Audi-NSU's 3.8 per cent. and Fiat's 3 per cent.

On the commercial vehicle and bus side, British manufacturers continued to improve their position at the expense of imports. Out of a total truck market of 17,360 last month compared with 21,127 in June, 1974, British manufacturers provided 15,590, 88 per cent., compared with 86 per cent. in the same month of last year.

U.K. manufacturers also supplied 96.3 per cent. of the 568 buses, coaches and taxis registered during the month.

Citroen, the French motor manufacturer, and Reliant, British manufacturer of the Scimitar and the three-wheeler Robin, are to raise prices immediately.

Citroen's increases average 8.3 per cent. although the D and the SM models are unchanged.

Reliant is to increase its prices by 3.4 per cent.

R-R signs pact with 3 countries

By Michael Dwyer, Aerospace Correspondent

ROLLS-ROYCE (1971) has signed a memorandum of understanding with Pratt and Whitney of the U.S., Motoren-und Turbinen Union of West Germany and Fiat of Italy, aimed at exploring the possibilities of closer collaboration in aero-engine design, development and production.

The memorandum puts on to a formal basis discussions between the four companies that have gone on for some time. Clear collaborative plans are not expected for some months.

Rolls-Royce (1971) is already linked with MTU and Fiat in a joint company, Turbo-Union, which is developing the Rolls-Royce RB-109 engine for the Multi-Role Combat Aircraft.

One of two main areas of likely collaboration is the possibility of the European companies joining in production and further development of the Pratt and Whitney "ten-ton thrust" engine, the JT-10D, designed for the next generation of medium-haul airliners being promoted on both sides of the Atlantic.

Rolls-Royce's French competitor, Snecma, has already teamed with General Electric of the U.S. to develop the rival CFM-56 engine.

The second possibility is collaboration on a low-thrust engine, replacing the Viper engine in many types of business jets and light military training and combat aircraft.

Rolls-Royce has already started work on this engine, but would probably like to have some international collaborative partners, both as a means of spreading the costs and widening the market.

Yet another possible collaborative development is the Spey Dash 67, a design for a much quieter engine for use in future medium-range jets.

The need to find areas of common interest in engine development is reflected in the fact that even such engine giants as Pratt and Whitney find economic conditions tough. This company seeks cost savings throughout its business to release money for new engine programmes.

Trethowan to succeed Wheldon as BBC Television chief

BY ARTHUR SANDLES

MR. IAN TRETHOWAN, one-time television political commentator and now managing director of BBC Radio, is to take over from Mr. Huw Wheldon as managing director of BBC Television at the end of this year. The change is part of a BBC reshuffle which also makes Mr. Howard Newby managing director of BBC Radio.

The changes are firmly in line with the normal BBC chain of command and contain no surprises. Mr. Wheldon, who is 60, is to become a special adviser to Sir Charles Curran, the Director General of the BBC and have as his particular assignment a study of regional broadcasting in England and of

revolution in Scotland, Wales and Northern Ireland.

Mr. Newby has been director of radio programmes since 1972 and his job will be taken by the present controller of Radios One and Two, Mr. Douglas Muggeridge.

Journalist

Mr. Trethowan, who was born in 1922, is best known publicly for his political journalism. He entered television journalism in 1958 with ITN and joined the BBC in 1963. In the late 1960s he took over much of the work of the late Richard Dimbleby as a commentator for the Corporation at major outside events.

It was in 1968 that he turned to radio management and in 1970 he became managing director of radio. The early part of his career in that post saw the BBC expanding and changing its approach, particularly in anticipation of the arrival of commercial radio.

Since then, however, the economic tide has turned and recently he has had to cope with the implications of a substantial cash shortage within the BBC.

The immediate troubles within the Corporation, resulting from continued financial problems and from possible staff difficulties over pay, are unlikely to have disappeared by the time he takes over from Mr. Wheldon.

The gap was 121 per cent. but the bulletin argues that this average over three months was probably an overstatement of the underlying trend, because some of the buoyant expenditure in April this year should be offset against the abnormally low growth a month earlier.

However, "in the six months ended June, 1975, the gap was 11 per cent. A gap of this order must be taken as the current trend," the bulletin argues.

The trend may not continue, but if the growth of consolidated fund expenditure continued to exceed that of revenue by 10 per cent. or more, the financial deficit of the public sector would tend to be some £1.75bn. in excess of the budget forecast of £7.57bn, the bulletin concludes.

Compared with the first quarter of the previous fiscal year, consolidated fund expenditure rose by 47 per cent. while revenue was up by 35 per cent.

bulletin argues, "It is more important than ever to monitor the behaviour of the money supply and for the authorities to take corrective action if the money supply is growing excessively."

Examining the recent money supply figures, the bulletin argues that the underlying growth of the money stock on the narrow definition (M1), needs to be brought down very sharply.

The bulletin attempts to provide a continuous method of monitoring the finances of the public sector, and examines the consolidated fund figures for the first quarter of the fiscal year, from April to June.

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350,000-ton rig placed in position

THE BERYL "A" offshore oil production platform was lowered to its target area in the North Sea yesterday after a five-day towing operation from Stavanger, Norway.

The platform, claimed to be the world's most sophisticated offshore production rig, is due to start producing oil from the Beryl Field, 95 miles south-east of the Shetlands, before the end of the year.

Mobil, which has a 50 per cent. stake in the field, said it was "extremely pleased" with the operation, the biggest towing exercise performed.

LABOUR NEWS

Furnacemen back call for an improved pay offer

BY JOHN WYLES, LABOUR REPORTER

BLASTFURNACEMEN'S leaders yesterday backed demands for an improved pay offer with a threat to take strike action which would rapidly halt most of the British Steel Corporation's production.

Delegates to the National Union of Blastfurnacemen's conference in Scarborough unanimously endorsed their negotiators' rejection of a BSC 14 per cent "new money" pay offer, which is broadly in line with settlements with the industry's other main unions.

The NUB will now seek further negotiations and if these end in deadlock, union negotiators are instructed by yesterday's conference decision to give a fortnight's notice of strike action by the 13,500 BSC blastfurnacemen.

This lurch into militancy by the NUB, which last staged a

national strike in 1971, was against the advice of the union's general secretary, Mr. Hector Smith. But he warned that if the strike did go ahead it would have rapid effects on the car and gas industries.

But steel stockholders confirmed yesterday that current stocks were high because of the recession in demand which has seen BSC output drop to around the 300,000 tons a week mark this year from 80 per cent of total capacity.

The offer, which has been rejected by the blastfurnacemen, but accepted by most other steel unions, provides for 14 per cent increases with a cost-of-living element to be followed by an "adjustment" payable in October and a further "adjustment" to be negotiated which would be paid from next January. The agreement would then run until January 1977.

Despite this indication that any fresh rises after seven months would only be cost of living adjustments, the other steel unions have been happy to regard their agreements as leaving them the freedom to negotiate whatever they can at the end of the year.

But Mr. Smith claimed yesterday that the offer was worth 14 per cent for 18 months and this was not acceptable. He indicated that the pay rise must be raised to 18 per cent, as part of a deal which clearly expires after seven months and leaves the door open for a full pay review at the end of the year.

ALL THE tensions involved in 33 men trying to represent the political and industrial views of unions covering some 10m. trade unionists came to the fore at yesterday's TUC general council meeting on the TUC's new social contract document.

As the 33 union leaders on the council assembled yesterday morning in the TUC's London headquarters, along with Mr. Len Murray, TUC general secretary and his backroom staff who had worked till late the previous night finalising the document, it was clear that the new policy was in for a rough ride.

Eventually the document was approved by only 19 votes to 13 with an unholy alliance of an elder statesman, a moderate, a Communist and other left-wingers, together with leaders of poorly paid public sector workers and a few earning up to £12,000 or more a year, combining to produce the sizeable and damaging minority.

First Mr. Murray spoke and explained how the six guiding principles agreed last month by the TUC general council for a new version of the social contract embracing a flat pay rate below the current rate, a price increase based on the cost of living, and a new package. The catalyst had been the sharp fall in foreign confidence and pressure on sterling which had led the Chancellor to raise the 10 per cent inflation target last week.

Mr. Murray entered deter-

minely into the contentious detail of defending the fact that the 50 flat rates would hurt some 200,000 of the 27,000 psychological impact of a 27,000 cut-off figure, and of detailing the negotiations with the Government on how existing deals with wage rises due for 4m. workers should be curbed, as well as explaining how a formula had been reached on incremental rises.

He was supported by Lord Brighshaw, the former printing workers' leader, who spoke passionately about helping the Labour Government. Then came more support from Mr. George Smith of the Construction Trades, who was later to move the adoption of the policy. Backed by his construction colleagues, Mr. Glyn Lloyd, he struck out on the moderate line without being impeded too much by his own wage problems which should not be unduly hampered by the 50 target.

So much for the supporters. The opposition, however, was more detailed in its objections and brought angry mutterings from men like Mr. Jack Jones, Daily who cannot see his miners all accepting the same cash sum.

Fresh from Scarborough, where he had made an impressive speech at the Mineworkers' conference on Tuesday against a £100 pay target, Mr. Lawrence Daily wanted the issue shunted so that individual unions' national executives could debate the issue.

Support

He received little support, a fate which broadly also befell Mr. Hugh Scanlon of the Engineers who delivered his now-unworkable policy line of opposition to the social contract and any wage restraint.

These men and others thinking like them could have missed perhaps eight or nine votes against the plan (in fact Mr. Scanlon had to leave before the vote which otherwise would have been 19-14). Included here would have been figures such as Mr. Clive Jenkins of ASTMS, who regards the plan as an "outdated Treasury shotgun solution bearing no relevance to the essential problems of industrial structural change," together with Mr. Alan Sapper of the Television Technicians and Mr. Ray Buckton of ASLEF, the locomotive union.

Mr. Buckton objected both to the principle of the TUC trying to curb "free collective bargaining"

and also disliked a flat rate £5. The TUC's document indicated that this was not so, to the satisfaction of the civil service unions representative on the TUC economic committee, Mr. Cyril Plant of the Inland Revenue Staffs. But not all the public service unions were satisfied and so voted against the plan.

The final and perhaps the most surprising convert to the opposition camp was Lord Allen of the Shopworkers. But his opposition stemmed solely from the fact that he objects to strict price controls and possibly a freeze being almost entirely against shop—as opposed to wholesale—prices. Fearing the effects on the employment prospects of his members when shop profits are widened, he wanted stricter and more widespread price controls but, despite his vote, was not against the wages side of the package.

In the end, after some 34 hours of debate, the vote was taken with this unusual alliance of opponents providing the following 13 votes against the plan: Mr. John Boyd, Mr. Len Edmondson, and Mr. Ken Gill of the Engineers; Mr. Alan Sapper of the Television Technicians; Mr. Clive Jenkins of ASTMS; Mr. Ray Buckton of ASLEF; Mr. Lawrence Daily of the Mineworkers; Mr. Terry Parry of the Fire Brigades Union; Mr. Fred Jarvis of the Teachers; Mr. Geoffrey Drain and Miss Audrey Prime of NALGO; Mr. Alan Fisher of the Public Employees, and Lord Allen of the Shopworkers.

Seamen go astern on pay and accept 37.3% award

FEARS of impending Government pay cuts coupled with pressure from many of their members yesterday persuaded seamen's union leaders to reverse their decision to reject a 37.3 per cent arbitration pay award.

This about-face by the executive of the National Union of Seamen means that a strike ballot called last week will not take place and removes the threat of confrontation with the Government's anti-inflation policy.

Responding to the fast-developing TUC and Government anti-inflation moves, NUS leaders met the General Council of British Shipping employers within two

hours of the union decision to ratify an agreement based on the award which will be backdated to July 2 and will cost £33m.

Apart from being a substantial victory for moderates yesterday's decision was also a personal success for Mr. Jim Slater, the union's general secretary, who was, ironically, one of the "tightly knit group of politically motivated men" named by the Prime Minister during the 1966 seamen's strike.

During yesterday's 41 hour meeting Mr. Slater again argued in favour of acceptance of the arbitration award and turned a 10-8 majority registered against the award at last week's

executive into an 11-7 vote for acceptance.

Key factors in swinging the executive were the possibility that a continuing wrangle over pay might become caught up in a new anti-inflation pay policy and the overwhelming demonstration of support for the award over the last week at seamen's meetings all over the country.

Left-wingers argued that if Government policy was the central issue then the NUS might just as well confront it this year as next. They also pointed out that a 37.3 per cent increase in basic rates worth £4.50 a week, promised under the award for next January could well be affected by any Government application of the 50 flat rate increase proposals.

The pay rise recommended by the Advisory Conciliation and Arbitration Service. They will boost average earnings of a foreign going seaman from £59.25 a week to £71.44 immediately and to £77.68 next January 1.

ATTEMPTS to win interim pay rises for some 1.65m. public employees, including 400,000 nurses, before the expected 50 flat rate pay rise comes into force have foundered on firm Government resistance.

Officially, many of the unions involved will continue to seek an interim award until the new ceiling becomes operative, but privately officials concede that there is virtually no prospect of the Government changing its mind.

None of the major unions involved is considering a threat for industrial action, although a spokesman for the Confederation of Health Service Employees accused the Government of "dishonesty."

"To prohibit negotiations even before the White Paper has been approved in Cabinet is both dishonest and wrong," he said.

Separate claims were lodged for about 1m. manual workers employed by local authorities, for the country's 400,000 nurses and for some 250,000 hospital ancillary workers.

In each category the most recent annual pay agreement included a clause allowing for a pay review in the event of an excessive rise in the cost of living.

As a result, the nurses asked approved in Cabinet is both dishonest and wrong," he said.

No last minute rises for 1.65m. public employees

BY LORELIES OLSLAGER

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In each category the most recent annual pay agreement included a clause allowing for a pay review in the event of an excessive rise in the cost of living.

As a result, the nurses asked approved in Cabinet is both dishonest and wrong," he said.

THE TUC's 50 pay and prices package is set out in a document "The Coming Year," which was sent to Government Ministers yesterday after being approved by the 183 vote in the TUC general council.

After setting out recent events the document says: "Adopting a flat rate approach, fixing the pay limit at 10 per cent would give a 50 flat rate increase to all full-time adults (aged 18 and above) up to a cut-off point with pro rata payments for part-timers and juveniles. A flat rate approach has the advantages of focusing increases on the low paid and preventing unduly large cash increases being obtained by the high paid. It is clear and simple, most emphasises the general council's view about the gravity of the economic and industrial situation, and cuts through the complication of separate provisions for particular groups which has helped to weaken the previous policy. The general council therefore concludes that there should be a universal application of the 50 flat rate increase. The TUC will oppose any settlement in excess of this figure."

worked per employee.

"They should not be used as a method of obtaining a disguised increase in incomes out of line with the pay limit. Negotiations should be directed towards securing actual reductions in hours and to reducing normal hours to 40 in sectors where this has not been attained. The 35 hour week remains a longer term objective."

"There may be isolated instances of negotiators expediting difficulties in applying or observing the pay limit, the existence of any such difficulty does not remove from negotiators and their executives the responsibility of doing all they can to ensure that the limit is observed. Where unions and employers both agree that there is a serious difficulty, they can make a joint submission to the TUC and the CBI, who will jointly examine the problem and determine whether this should be submitted to ACAS for arbitration."

done such as extra help for the disabled, a generous level of child benefits, and educational priorities such as nursery school provision, day release and adult education. One of the most important parts of the social wage is pensions. Already the Government have announced a £2.70 increase for a married couple. The general council will be looking for subsequent early increases to maintain the real level of pensions in relation to average earnings which should have a direct percentage relationship. Defence cuts have already been announced which will help allow increases in the social wage within total public expenditure, but more should be done in this connection, while bearing in mind the employment implications."

Lucas white-collar wage settlement in sight

BY CHRISTIAN TYLER, LABOUR STAFF

A WAGE SETTLEMENT is in sight for 8,000 "white-collar" workers at Joseph Lucas—only six days after their claim for "substantial rises was lodged. Agreement is expected to be reached today between the company and negotiators of the Association of Professional, Executive, Clerical and Computer Staffs (APEX).

The speed of the Lucas negotiations is entirely due to the imminence of the Government's White Paper on pay and prices, expected within the next few days.

Lucas yesterday offered its staff "new money" rises worth between 17 and 21 per cent, on basic rates ranging from £50 to £30 a week.

But since these rates were set, threshold payments (running on after the Conservatives' Stage Three) have added just over £5 a week.

Total rises over the year are thus potentially worth as much as 35.5 per cent. For the lowest paid, and about 25 per cent for the highest.

It was also agreed yesterday to set up a working party on employee-participation to discuss proposals put forward by APEX.

Mr. Ray Edwards, assistant general secretary, said yesterday the company hoped other unions

Don't go wrong again, says Benn

By Roy Rogers Labour Correspondent

SCARBOROUGH, July 9. A WARNING to the Government and the Labour movement not to repeat the mistakes that brought down the previous Labour administration came yesterday from Mr. Anthony Wedgwood Benn, recently appointed Energy Secretary.

Mr. Benn chose the annual conference of the National Union of Mineworkers to a platform to appear to a group of what appeared to be his opposition to the introduction of any statutory wage curbs.

Mr. Benn reminded NUM delegates that the failure of the 1970 Labour Government lay in the separation of the Government from the Labour movement.

The key to the future, he maintained, lay in the development of relations between the trade union movement, the Labour Party and the Labour Government.

In a speech which touched on several issues, Mr. Benn urged the union to press on with the National Coal Road in attempts to agree on forms of worker-participation, and impressed on delegates the need to meet all the coal it could produce economically.

Britain's coal and energy reserves gave us potentially the most powerful economy in Europe, he said.

Europe, he said, is a country to be listened to in the European Economic Community, he said.

After Mr. Benn's speech, which was well received by the delegates, an emergency motion enabling the NUM to resume its role within EEC institutions was carried unanimously without debate.

NUM officials were withdrawn from Europe on the decision of last year's annual conference.

in the group would join in. "The company said it had no intention of waiting for legislation to force it to liberalise communications and involvement of employees."

BL warning of steps against pay strikers

BRITISH LEYLAND warned yesterday that it would take severe steps unless a month-long pay strike at a components subsidiary ended soon. But it said pay negotiations could begin how for October settlement.

The strike, at Alford and Alder in Home Bampton, Herts., has halted production of all Triumph, Jaguar, MG Midget and 18/22 cars, with 11,000 workers laid off.

The company said the 800 engineering workers at the components plant were in breach of a company-wide agreement that there should be no industrial action over pay before wage deals expired.

Alvis, the lighting vehicle and aero-engine manufacturer, sent home its 1,200 workers yesterday and said the factory would stay general secretary, said yesterday the company hoped other unions

Prices

"The general council welcomed the fact that the Prices Secretary reduced the profit margins of retailers in the spring of 1974 and in her major autumn review of the price code insisted that demands from industrialists that the price code should be abolished. Nevertheless the general council are concerned that not enough is being done to control prices or to win public confidence in the present system."

"As the rate of inflation is brought down substantially, real national income can begin to grow again, and living standards as a whole and employment can be maintained. For this reason the general council believe that a price target to be achieved by the middle of next year should be set. The aim should be that the Retail Price Index by August 1976 will be less than 10 per cent above the level a year earlier. This will mean that from this September onwards the figures for the RPI increase over the past year will gradually decline from the present level of 25 per cent to some 10 per cent. This means that the monthly rate of increase in the RPI can be expected to fall over the period of the next year to less than 1 per cent a month."

"The achievement of this target will require action on a number of fronts. With the combination of a lower rate of wage increase and a favourable factors such as constant or falling import prices it is essential that lower cost increases are reflected in lower price increases by manufacturers and distributors. The Price Code involves not only the control of profit margins but the control of price increases."

"As the economy expands to meet the expected increase in world trade and turnover, it is essential that the Price Code does not operate in such a way as to cause a big increase in absolute profits."

"In order to encourage compliance by employers with the policy the general council would support an amendment to the Price Code which will disallow wage increases above the pay limit being passed in price increases. In effect the productivity deduction should be increased from 20 per cent to 100 per cent for all increases above the pay limit."

"In order not to penalise

Employment

"On present trends the level of unemployment may soon near the 1m. mark and rise even more through the coming winter. If the rate of inflation can be brought down and if the economy can expand through high investment and exports, then this will have a beneficial effect on the level of employment. The general council believe that the targets for pay and prices have to be related to the objective of employment. They believe that a major reduction in the level of unemployment in 1976."

"It is vital that the fastest possible progress should be made in introducing the Temporary Employment Subsidy (TES). At present it is proposed that TES should only operate in the development areas. While recognising the problems of the regions, it is important to realise that the problem of unemployment is a national one and not being able to recruit them again when the upturn in economic activity comes is one which goes wider than the development areas. The TES should therefore be extended. The subsidy will be especially important for those firms who will be best able to take advantage of the upturn in world trade. Trade unionists should play a part in the administration of the TES."

"There is need for monitoring the employment situation and the general council will be looking to the Government to take appropriate action, as and when necessary, in the coming year to ensure that the aim of a reduction in the rate of inflation will greatly strengthen the Government's ability to take direct action through public expenditure. The level of employment and unemployment should be monitored by the TUC and Government."

This would "entail a higher target for economic growth, the region of 3 per cent—as it is likely that productivity will be rising at this rate. The Chancellor should therefore be prepared to take selective measures by the autumn to meet this growth target, says the TUC."

Subsidies

"The role of subsidies needs to be examined further as the present food subsidies have had a very marked effect in helping the low paid and the pensioners. The subsidies have also helped to keep the cost of food at a level which is not too high for the low income household as it is for the higher income group. In helping to prevent price increases and subsequent wage increases, food subsidies have more than paid for themselves. Under current economic conditions any reduction in the level of food subsidies should be viewed with concern as adversely affecting income distribution and cost of living. For these reasons the general council will be looking to the Government to rescind its decision to cut food subsidies by between £150m. and £200m. in the coming financial year."

"One vital requisite for a successful price control policy is public understanding of what policy is and how it bears on everyday purchases. In particular, an intensified effort needs to be made at shop level, through the publication of price lists, unit prices and price range orders, which can all help the shopper."

Each week the prices of about 30 key grocery items together with prices of some standard quantities of fresh foods should be collected by local government officials working in conjunction with local consumer groups and consumer advice centres should be expanded. The Department of Prices and Consumer Protec-

Social wage

"As part of the pay, prices and employment policy the general council will be looking to the Government to take appropriate action, as and when necessary, in the coming year to ensure that the aim of a reduction in the rate of inflation will greatly strengthen the Government's ability to take direct action through public expenditure. The level of employment and unemployment should be monitored by the TUC and Government."

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An effective joint publicity campaign involving the TUC, the Government and the Labour Party will be set up to get the message across to the member ship on the shop floor and to the general public and secure their social wage to meet particular involvement in these objectives."

Hull Opportunities for office relocation

Large-scale redevelopment projects in the City of Hull are providing 200,000 square feet of NEW office accommodation in prime central area locations at around £1.75 to £2.00 per square foot.

And you get more than low-cost office space in Hull. You get a base in Humberside's principal industrial, business and communications centre, and a foot in Britain's Gateway to Europe.

Get the facts about Hull at our next seminar, Connaught Rooms, London, 17th July.

Ian R. Holden, Director of Industrial Development, Kingston upon Hull City Council, 77 Lowgate, Kingston upon Hull, Telephone (0482) 223111



Hull—a Great British City

Shrewsbury picket to be paroled

By Our Labour Staff

ONE of the "Shrewsbury Two" building pickets, Eric Tomlinson, 34, is to be released on parole from Leicester Jail in two weeks.

Mr. Roy Jenkins, the Home Secretary, has accepted the recommendation of the Parole Board, which conducted a special review at Mr. Jenkins' request following repeated representations by TUC leaders.

The other man, Des Warren, 37, will be considered again for parole in September.

The Midlands Regional Council of the TUC yesterday called for a boycott by trade unionists of Birmingham newspapers which have dismissed all their National Union of Journalists staff in a pay dispute.

The 250 journalists employed by the Birmingham Post, Evening Mail and Sunday Mercury were dismissed after they refused to call off a disruptive action in support of a pay and conditions claim. The dispute has been declared official by the NUJ.

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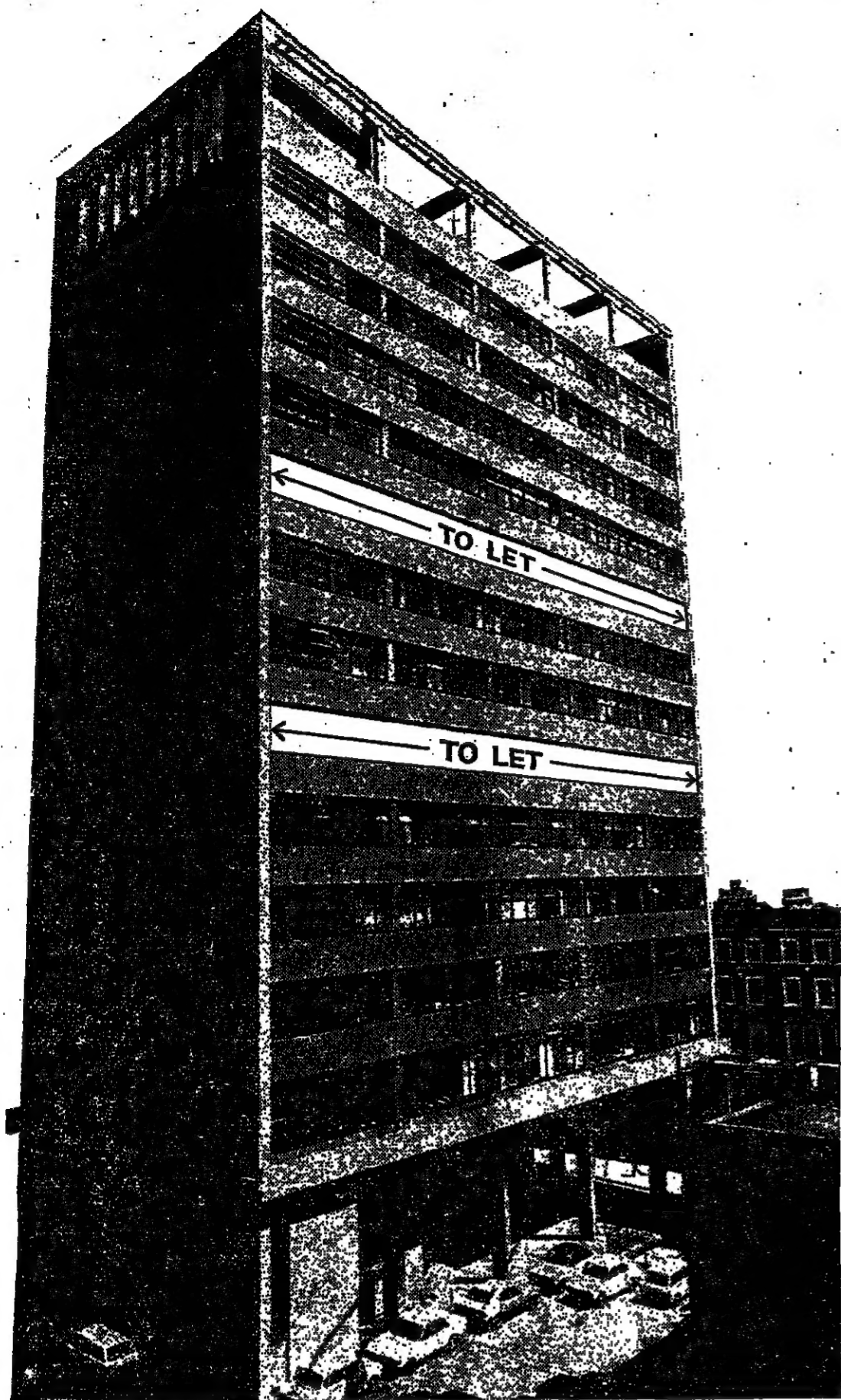
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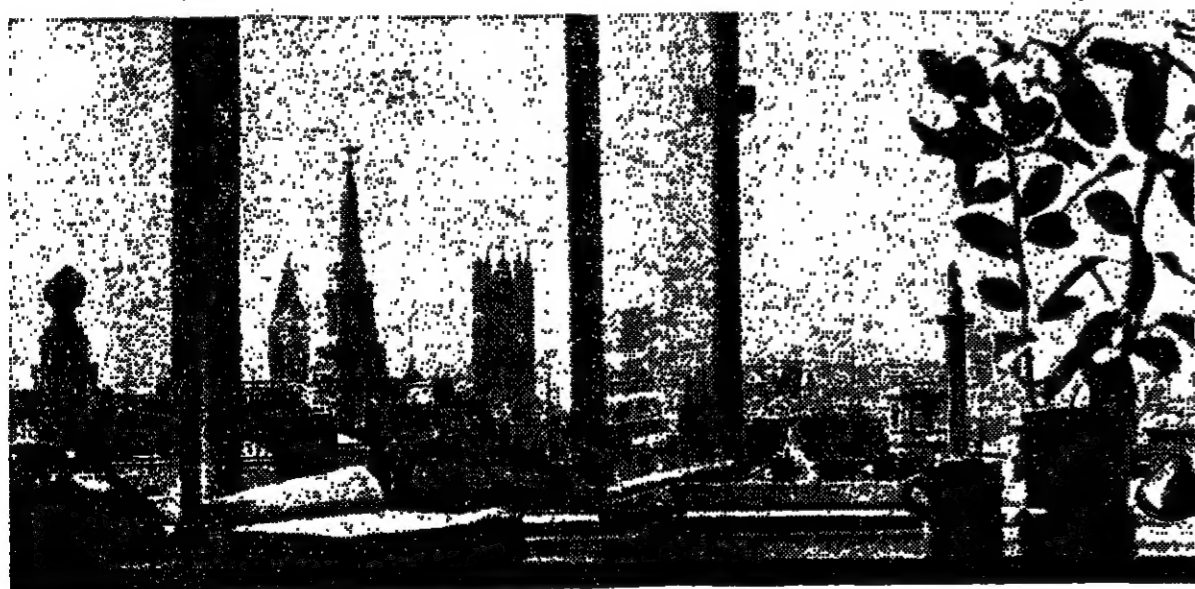
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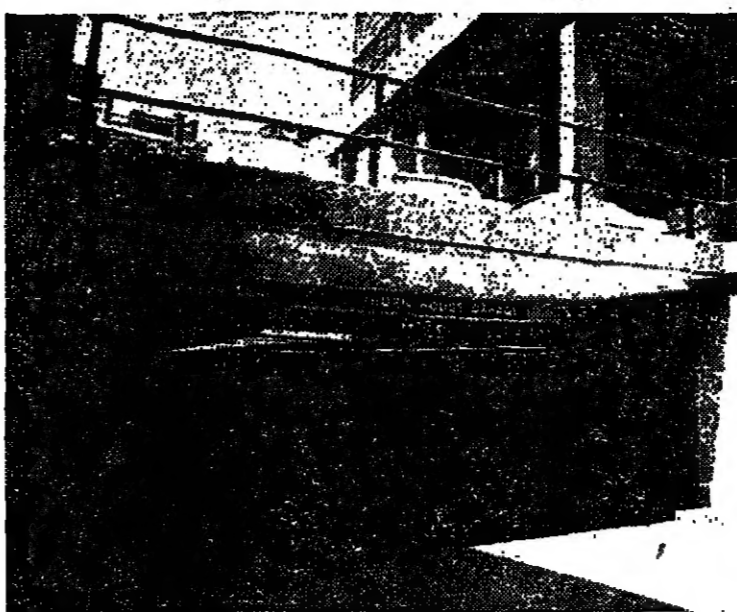
For £8, you should expect more than a square foot of empty space.



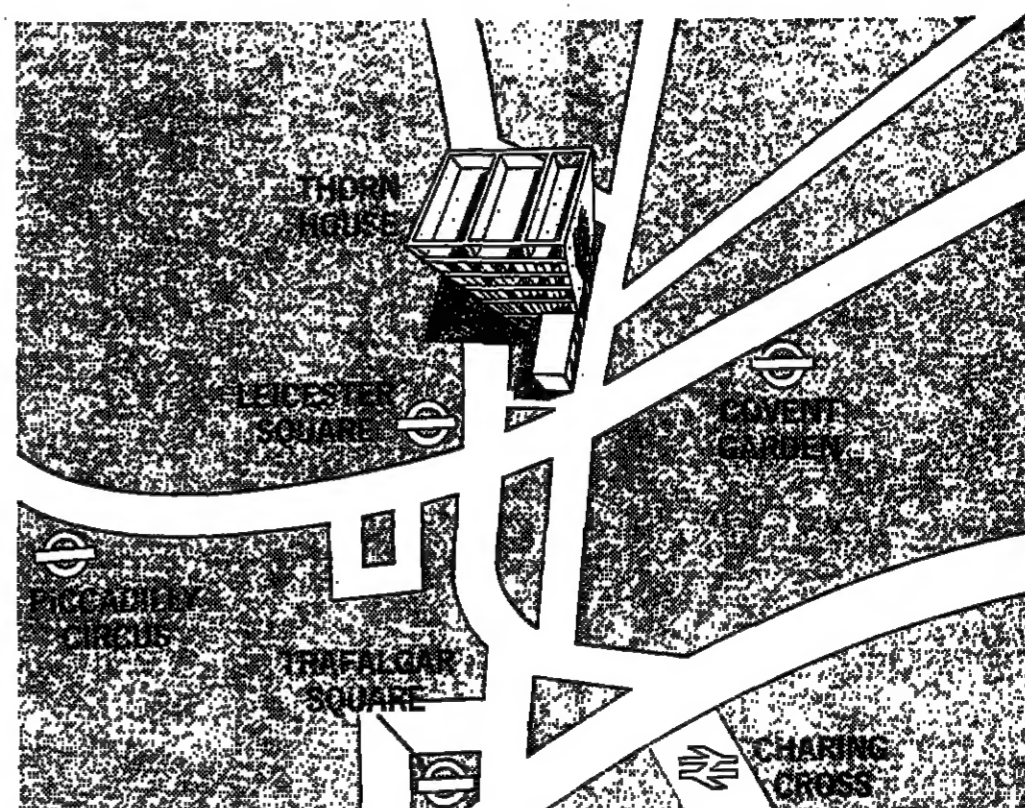
You can expect the space to come in a nice, smart box.
Thorn House, Upper St. Martin's Lane, London WC2.



You can expect a fantastic view with every room.



You can expect a directors' car park below and a National Car Park opposite.



You can expect your staff to be in on time,
(all tube lines 3 minutes away).

You can expect a round-the-clock security service
and 24-hour access.



You can expect cultured neighbours... or vice versa.



You can expect London's largest selection of restaurants.
Serving everything from an expensive steak to a cheap skate.

Think of the advantages of renting in Thorn House.
Your visitors drive straight into a parking space.
Your staff come in five handy tubes.
And the offices you'd all be working in are worth arriving at as well.
Once inside, you get a dignified reception. A smart commissioner.
Four silent lifts. (They're very fast so the silence doesn't become embarrassing.)
And when you get out, two floors of luxurious empty space. (You can rent either or both at £40,000 a floor, with immediate vacant possession.)
In all, there's about 9,800 square feet.
Including a vast board room, two smaller conference rooms, a mini cinema, a couple of kitchens and the usual conveniences which—being on every floor—are more convenient than usual.
Richard Posner at Herring Daw, estate agents, will furnish you with details of fixtures and fittings—which can be had at an agreed price. And he'll gladly get someone to show you around the 5th and 8th floors of Thorn House.
Once there, you'll get the feeling everything else in London is below you.

Herring Daw

28 Sackville Street, London W1X 2QL. Tel: 01-734 8155



MPs at 18 Bill gains first reading

A BILL that would permit teenagers to be elected as Members of Parliament was given an unopposed first reading in the Commons yesterday.

The Bill, which reduces the age at which it is possible to be elected as an MP from 21 to 18, was introduced by Mr. Greville Janner (Lab., Leicester W.).

Explaining that his Bill amended an Act that was 30 years old, Mr. Janner said that 18 year olds now had nearly all the rights and responsibilities of any other adult.

They could make contracts, engage in business, be called up for military service and fight and be killed. They could vote and sit on juries but they could not stand for election to the House.

It was totally illogical and wrong for an 18-year-old to be unable to serve in the House. Although the present age limit was 21, there were few MPs under the age of 30 and none under the age of 25.

New weapons give Navy 'formidable capability'

BY JUSTIN LONG, PARLIAMENTARY CORRESPONDENT

NEW EQUIPMENT programmes for the Navy will give high priority to anti-submarine warfare systems, in particular the nuclear-powered submarine, Mr. Frank Judd, Under-Secretary for the Navy, told the Commons last night.

Rejecting Opposition accusations that the Government's proposed defence cuts would leave the Navy unable to protect Britain's vital sea lanes, Mr. Judd assured the House that the plans now underway would give the Navy a formidable new capability.

As well as going ahead with the anti-submarine cruiser programme, it was intended to counter the Soviet missile threat by continuing the programme of new destroyers and frigates.

Orders had also been placed for the first dual role hunter/sweeper mine countermeasures vessel. Also in prospect, said the Minister, were new missiles and other weapons systems.

In addition, study had been undertaken to see whether hydrofoils and hovercraft should have a place in the Navy's defence plans.

Mr. Judd said that Navy redundancies following the Government's proposed defence cuts were expected to be even smaller than originally predicted.

Manpower
By cutting back on entries and reducing extensions of service, the current forecast was that it would not be necessary to make any junior officers of U.K. ratings redundant.

A small redundancy programme would be necessary for senior officers, probably involving less than 50 Commanders or above, and voluntary redundancies would be sought wherever possible.

Mr. Judd, who said there had been a thorough analysis of manpower requirements until 1978, said it was expected that 12 senior officers would be made redundant by the end of 1977.

On the Navy's role generally, the Minister said this must be assessed against the increase in Soviet maritime strength. The Navy could make the most significant contribution in the Eastern Atlantic, the Channel, the North Sea and other home

Beswick sees chance for U.K. trade growth

BY JOHN HUNT

A FORECAST that a rapid expansion in world trade will soon be under way was made in the Lords yesterday by Lord Beswick, Minister of State for Industry.

He was speaking in a debate initiated by the Earl of Limerick, president of the Association of British Chambers of Commerce, to call attention to the vital need for sustaining and improving Britain's export performance.

Lord Beswick said that in the first four months of 1975, our current account deficit was just over £400m—less than one-quarter of the total for the same months of 1974. This was a substantial achievement but we could not afford complacency about the future.

"In the period ahead the growth of our exports will turn critically on the recovery in world trade," he added. "Given the scale of the recessionary measures taken in the United States, recovery there should shortly be under way. The expansionary measures taken in West Germany, France and Japan should also help."

Rapid
"There is reason to expect that the growth in world trade, in our view, begin to be rapid after about the turn of the year."

There was no doubt about the growth potential of the Western countries. But the Government expected that the imports of the oil producing countries would remain the fastest growth



LORD BESWICK
"Time for selective investment."

area in world trade for some years to come.

He saw a particular need for Britain to adjust further to the substantial shift in the pattern of world trade but this must not involve a lessening of effort in our major traditional markets, including the EEC.

Lord Beswick agreed that inflation was the single biggest problem facing us. It underlined the need for confidence, affected investment and damaged competitiveness. Our overseas customers had no wish

to import inflation and generally they could remedy that by buying from alternative sources. Escalating insurance schemes limited but did not offset inflation. They were merely palliatives.

Even if it were desirable, a continued deterioration in sterling was not a satisfactory answer. It created uncertainty and increased the cost of essential imports.

If we were to exploit the trade recovery, we must ensure that the necessary physical capacity was available to deliver the goods quickly. Now was the time to make selective investment if future opportunities were to be used to the full.

Profits

Lord Limerick warned the House that "unless we can rapidly control our rate of inflation we will cease to be an overseas market to be price-competitive. Our sales will go to ever-greater foreign competitors and markets once lost are never easily regained."

He emphasised that Britain badly needed long-term strategic investment in its export industry. Manufacturers would be willing to invest if they had a reasonable level of profits. But the expectation of profit had taken some substantial knocks in recent months.

"For a healthy export industry it is essential that the private sector should be able to achieve a satisfactory return on invested capital," he declared.

Worker directors legislation in 1976-77

THE GOVERNMENT intends to introduce legislation on industrial democracy in the 1976-77 session of Parliament, Mr. Albert Booth, Minister of State, Employment, said yesterday.

Mr. Booth made his announcement in the Commons Standing Committee on the Industrial Democracy Bill, a private measure sponsored by a dozen Labour MPs, which provides for trade union representation on the supervisory boards of companies.

The announcement came after one of the sponsors of the Bill, Mr. Giles Radice (Cheshire—Stretford), had moved that the committee, which has been meeting every Wednesday morning for some weeks, should sit on Wednesday afternoons as well.

Mr. Booth opposed the motion, which was later lost. On legislation the Minister said: "I am now in a position to inform the committee that it is the Government's firm intention to introduce legislation on industrial democracy in the 1976-77 session of Parliament."

"There will be a further statement on this before the House rises for the summer recess."

The committee adjourned until next Wednesday after Mr. Radice had told his colleagues that the other sponsors wished to consider what further action to take on the Bill in the light of the Government's "important" statement.

Scottish grant-aid schools warned on subsidy loss

GRANT-AIDED schools in Scotland which decide not to join the public system will have their grants phased out over a six-year period, beginning in 1976-77, Scottish Under-Secretary, Mr. Robert Hughes, told the Commons yesterday.

He told Mr. Alex Fletcher (C., Edinburgh N.) that discussions between the schools and education authorities were now in hand and that schools would shortly be asked to state their intentions for the future.

For those schools which decided not to join the public sector, the six-year phasing out of grant should give protection to existing pupils at least until they had completed their primary or secondary courses.

Mr. Hughes added that it would be open to the managers of grant-aided schools to use the grant to alleviate any serious financial hardship.

Mr. Fletcher said that many parents were deeply concerned about the shortage of school places for their children under reorganisation. He asked why there should be financial hardship if schools were being closed as a ship.

direct result of Government policy at a time of serious financial stringency.

Mr. Hughes replied that at times of financial stress there was no justification for continuing a system of selective education subsidised by the State. Discussions were going on at local level on how many children would come into the public sector and what resources would be needed.

Mr. Edward Taylor (C., Cathcart) said that Mr. Hughes's announcement would cause enormous hardship to parents because inflation was eroding the value of the grants. Transferring large numbers of children to the public sector would disrupt the children's lives and put a further burden on ratepayers.

Mr. Hughes replied: "You are always very quick to leap to the defence of people who expect educational privilege at public expense." The Government believed its proposals would work and there was no reason why there should be financial hardship if schools were being closed as a ship.

MP seeks inquiry into complaints against police

A CALL for a public inquiry into allegations of police misconduct at a National Front meeting in Glasgow on May 24 was rejected by the Scottish Under-Secretary, Mr. Harry Ewing, in the Commons yesterday.

He told Mr. Dennis Canavan (Lab., Stirlingshire W.) that he had carefully studied the report on the incident from the Chief Constable of Strathclyde.

The investigation of the complaints was a matter for the Chief Constable, subject to reference to the Procurator Fiscal in cases involving criminal charges.

Mr. Canavan accepted that on most occasions, the police would be dealt with in the courts and in the full view of public opinion.

"There is to a certain extent an independent element in the investigation. In any prosecution which arises, the Procurator Fiscal is the deciding factor," he added.

MP urges Scots rape law advice for English

THE ENGLISH seemed to have will head an investigation into "appalling difficulties" in dealing with the "comparatively simple crime of rape," Mr. Nicholas Fairbairn (C., Kinross and Perthshire) said in the Commons yesterday.

He suggested that the Scottish Lord Advocate, Mr. Ronald King Murray, might find time to give some advice to his English equivalent, the Attorney-General.

Mr. Fairbairn said that Mr. Sam Silkin, then Scottish Minister of Justice, had been spared for a long time by the recent inquiries in front of Mrs. Justice Heilbron.

It had been recently announced that Mrs. Justice Heilbron was willing.

Banner dispute halts Grundig Ulster plant

BY NICHOLAS COLCHESTER

BONN July 9.

THE GRUNDIG cassette recorder that the company should have factory closes for the annual works at Dummur in Northern Ireland has been shut down for two days because of a dispute between Protestants and Catholics inside the works.

This stoppage is increasing the German parent company's disillusionment with its Ulster subsidiary, whose general manager was kidnapped 18 months ago and which has failed to make a profit over the past two years.

A Grundig spokesman at the company's head office in Fuenrh explained that men apparently allied to the Protestant Vanguard Group had raised a banner inside the works. When the works council decided that it had no authority to order the removal of this banner, Catholic disaffection led to a work stoppage. The dispute had yet to be resolved, he added.

The spokesman denied Press reports that Grundig was considering pulling out of Ulster, reached. Workers at the fact-maintaining that the U.K. market was important for Grundig and

that the company should have manufacturing capacity there. But he conceded that the present situation was unsatisfactory and that a subsidiary could not continue to operate unprofitably for a long time.

In last winter's annual report it was noted that Grundig's investment plans in Northern Ireland had been reduced because of the political difficulties to the maintenance and replacement expenditure that was necessary to keep the works running.

Formula
Grundig's first big problem with its Ulster venture came in December 1973, when the works manager, Mr. Thomas Grundig, was kidnapped. He never returned. The Dummur works employs some 1,500 people.

Our Belfast Correspondent writes: It appeared to-day that a face-saving formula had been reached. Workers at the fact-maintaining that the U.K. market was important for Grundig and

factory closes for the annual holidays to-morrow. Mr. Stanley Orme, Minister of State at the Northern Ireland Office, referred to the dispute during the debate on the Ulster economy at the first meeting of the Northern Ireland Committee at Westminster to-day.

He said he hoped a speedy settlement would be arrived at. "If a result is not arrived at, it could have serious consequences for employment in Northern Ireland."

In spite of the disappearance of Mr. Grundig, it is the first time in 18 years that there has been political trouble at the plant.

But the affair has left a nasty taste with allegations by the deputy leader of the Vanguard Party, Mr. Ernest Baird, that the Department of Manpower Services were pressurising the company into recruiting more Catholics than Protestants. This is denied by the Department.

Concorde switches Bahrain flight at Lebanon request

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

CONCORDE No. 4, continuing its endurance flying programme, was obliged to make another partial transatlantic flight yesterday, instead of the planned trip to Bahrain and back—this time because the Lebanon request was a routine adjustment at a late stage.

This followed Concorde's supersonic overflight of the Lebanon on Monday, and was aimed at shifting Concorde's track away from the built-up area of Beirut. The request arrived too late for yesterday's flight, but will be built into the next Bahrain flight on Friday.

The aircraft made a 3½ hours Atlantic sortie instead yesterday, as it was delayed for several minutes on departure because of additional checks on one engine, and not, as some reports suggested yesterday, because of an engine fault.

Spotlight on snags
The overall impression from the limited endurance flying completed is that Concorde is performing extremely well technically, with much publicity given to "snags" exaggerated. The aircraft performed faultlessly on Monday, the delay on

departure being due to difficulties with the towbar ground ties with the towbar equipment. On Tuesday an engine shutdown was due solely to a faulty warning light, and not to trouble with the engine. While yesterday's delay was attributable to engineers' caution rather than snags.

The officials from British Airways and the Department of Industry remain relaxed about the situation. It is pointed out that endurance flying is intended to bring to light problems so that they can be corrected.

This applies as much to political problems over route rights as to technical problems with the aeroplane. The objective of the 440-hour endurance-flying is to turn a "manufacturer's aeroplane" into an "airline passenger aeroplane."

It includes testing reactions of people on the ground to such problems as noise, so that if necessary, variations in approach and take-off procedures can be evolved to minimise it.

The volume of noise complaints about Concorde over the past few days has been much lower than expected—about 200 proving flight were served meals although there have been strong objections from some in-class meals.

dividuals, including some about times when Concorde was still on the ground, or outside the U.K.

Noise measured
Formal measurements of Concorde's noise have been made by Department of Trade monitoring devices, and until these readings are published it is not possible to say if Concorde has proved worse than expected, or violated any regulations.

The DoT does not intend to publish its figures until the end of the endurance flying programme. Because of wide variations in weather and temperature patterns, and different routes, only by taking the readings over several weeks will an accurate picture of noise emerge.

Passengers on Concorde and other British Airways flights were delayed yesterday after a dispute by the airline's catering staff, who demand more money for serving Concorde and other wide-bodied jets, including the DC-10. Passengers on Concorde's given to "snags" exaggerated. The aircraft performed faultlessly on Monday, the delay on

Which? calls for world review of diarrhoea medicine marketing

BY RAY DAFTER

THE CONSUMERS' Association has called on national health and drug authorities throughout the world to review the marketing of medicines adopted for ciproloquinol "diarrhoea" medicines.

The products, sold under a range of brand names in different countries, include Entero-Vioform and Entoson, both of which are freely available in the U.K.

The latest edition of the Consumers' Association's magazine Which? questions the safety of the medicines when taken in certain doses. It is worrying, and possibly dangerous, that there is so much variation among ciproloquinol medicines throughout the world—in how easily they can be bought, how much they recommend you to take and for how long, and what warnings they give about taking them.

The report, based on work done by the sister-Research Institute for Consumer Affairs on behalf of the International Organisation of Consumers' Unions, says it has been suggested by some medical authorities that the public should not exceed a daily dose of 750 mg. (usually three tablets) or take it longer than two weeks.

B.B. Laboratories, which manufactures Entero-Vioform at Hoveham, Sussex, said the recommended dosage had been accepted by the Committee on Safety of Medicines. The dosage was modified some three and a half years ago.

Treatment
It was recommended that for prevention, one tablet should be taken twice a day for up to 10 days. In the case of treatment for diarrhoea, twice that dosage should be taken for a maximum of three days.

The company, part of the Swiss Ciba-Geigy group, said that U.K. sales of Entero-Vioform totalled some £120,000 a year, appreciably less than 1 per cent of the U.K. turnover.

Entoson is manufactured by Boots and sold through its chain of stores. The company said yesterday that following the Committee on the Safety of Medicines review in 1972 the company had since been recommending a dosage similar to those proposed in Which?

"We are not aware of any new evidence" which would justify further modification to package warnings," Boots commented.

Which? points out that ciproloquinol tablets are already banned in Japan and the U.S. and are available on prescription only in a number of countries including France, some States of Australia, New Zealand, Italy

and the Netherlands. According to the magazine, only Hong Kong, Kenya, Malaysia, U.K. and Zambia allow the tablets to be freely sold in any sort of shop. Recommended maximum doses and length of treatment varied throughout the world.

The Consumers' Association recommends a seven-point list of instructions:

Seven points
1—Do not take more than 750 mg a day; if diarrhoea persists for three days after the start of treatment, stop the treatment and see a doctor.

2—Do not take ciproloquinol for more than 14 days continuously. At the first sign of tingling or numbness of the skin, or funny vision, stop taking the tablets and see a doctor.

3—Do not take ciproloquinol at all if you have kidney, liver or thyroid gland trouble, if you are allergic to iodine or if you are pregnant.

4—Do not give to infants less than one year old.

5—Do not give to children more than 250 mg a day.

6—Do not use ciproloquinol without seeking medical advice if you are having medical treatment.

7—Do not give ciproloquinol to pets.

Lack of cash 'hampering action over polluted beaches'

BY LORNE BARLING

BECAUSE OF lack of money there was little improvement in the past two or three years to beaches which are polluted by sewage, a Which? report suggests.

In following up an earlier investigation into the number of beaches which are affected through inadequate sewage treatment, the magazine names 95 places in England and Wales including popular holiday resorts which remain unsatisfactory.

On the East coast, those named include Scarborough and Hartlepool; and in the south and south-west Lyme Regis, Looe, Penzance, St. Just, Tintagel and Lynmouth. In Wales, Porthcawl, Barry and Fishguard are among those named.

The majority of coastal towns are unsatisfactorily allowed the possibility of sewage—often untreated—to pollute our coast," the report said.

Although Which? did not deal with some areas controlled by river authorities, it said that the worst of these were the Bristol Channel, Humber, Mersey, Severn, Morecambe Bay, Severn Estuary and the Solent.

Unsatisfactory
It recommended that the water authorities and the Department of the Environment should by 1976 pinpoint the most seriously unsatisfactory sewage outfalls and that money should be spent at least on these.

By asking what changes had been made since its last investigation in 1972, the magazine established that out of 200 outfalls which were unsatisfactory then, only 18 now met two previous years.

general conditions of treatment there was little improvement in the past two or three years to beaches which are polluted by sewage, a Which? report suggests.

Much of the money available to water authorities was taken up in fulfilling their primary duty, which is to preserve water that may ultimately be used for drinking.

"So even the long-term plans for improvements that the water authorities told us about may stay on the shelf for some years unless priorities change," the report warned.

In its previous report, Which? said two out of three outfalls discharged sewage that was untreated and six out of ten outfalls discharged at or above the low-water mark.

Furthermore, four out of ten sewage coastal sewage authorities admitted they had had sewage on or near their beaches during the then, only 18 now met two previous years.

1975 Results

The following facts are taken from the preliminary announcement to Shareholders.

	Year ended 30.4.75	Year ended 30.4.74
£	£	£
External Sales	19,635,000	14,668,000
Trading Profit and other income	2,301,604	2,014,114
Profit before tax	2,151,604	1,754,114
Profit after tax at 52% and Minority Interests attributable to Ordinary Shareholders	939,771	783,010
Earnings per Share	3.85p.	3.19p.
Total dividend (maximum under Counter Inflation Programme)	1.15494p.	1.06740p.

Note:

Trading
Despite recessionary trends in the second half year the Company's trade was well maintained at a satisfactory level, with record sales and profits for the year.

The Report and Accounts will be posted to Shareholders on 15th August, and copies can be obtained from the Secretary, Alliance Alders Paper and Packaging Limited, Lichfield Road, Tamworth, Staffs.



Alliance Alders
Paper and Packaging Ltd.



The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

MATERIALS

Study for a big steel rolling complex

STORA KOPPARBERG, the Swedish industrial group producing steel and forest products, and the State-owned Norrbottens Järnverk AB, have jointly decided to investigate the requirements for building a wide strip mill.

With the new steel works currently being built at Norrbottens, this company will have a large capacity for steel ingots at the same time as Stora Kopparberg estimates a greater need for basic material for, among other things, the manufacture of this plate sheet in its Domnarvets steel works.

The strip mill would be on the Baltic at Gäddede with Norrbottens satisfying the need for steel ingots. The mill would have an initial annual capacity of 1m tons with employment for approximately 500. The capacity could be doubled at a later stage.

An increasing quantity of strip would receive further treatment at Domnarvets, where Stora Kopparberg commercial steel works. Among other things shearing and cold-rolling, galvanizing and plastic-coating are contemplated.

In order to carry out the investigation necessary—including the technical, economic and marketing requirements for a future hot-rolling mill—Stora and Norrbottens are to form a joint company. The final decision as to the building of the proposed rolling mill will be made upon the completion of the investigation.

Although Norrbottens would grant the new mill in Gäddede as regards deliveries of billets and slabs, other products would be made available to the Swedish market. Moreover, NFA plans to export a considerable quantity of blooms, billets and slabs.

Guidelines for the future production orientation of both companies have also been discussed and set forth in principle. In this connection, Norrbottens delivery capacity for blooms to a girder-rolling mill on which a feasibility study is currently being carried out by it and the Krupp Group will not be affected.

Stora Kopparberg is at 7-921 Falun 1, Sweden. U.K. contact Fenton-Ward, 91-43, Tettenhall Road, Wolverhampton, 0903 29308.

Versatile synthetic rubber

SYNTHETIC rubber which will remain flexible and serviceable over a wide temperature range is now available in quantities from Firestone Tire and Rubber Company, Akron, O., U.S.

Called PNF, the phosphoric acid fluoropolymer is claimed to be highly resistant to oils and solvents over the temperature

POWER

Heat sensor impervious to pressure

SLOT resistance thermometers are electric temperature sensors used to monitor the temperature of the windings in large electric motors or generators. The temperature-sensitive platinum measuring wire is insulated and is contained under no pressure in a long, narrow, and thin housing made of insulating material which is embedded directly in the winding inside the slot.

Use of these sensors makes it possible to load electric machines up to their upper thermal limit without having to take the wide safety margin between the actual operating temperature and the maximum possible operating temperature required with other monitoring processes, and thus to avoid having to take the resulting power loss into account.

Because of energy costs and the need for more efficient electric machines, for which the

COMPONENTS

Flat cable simple to connect

ADVANTAGES OF flat and woven cables have not hitherto been available to the user of standard D type subminiature rack or panel connectors, since conductors have had to be separated, stripped and individually terminated.

Such cables have thus not been widely employed in the obviously attractive area of harnesses for interconnecting terminals, modems and other communication and industrial electronic equipment, and for computer peripherals.

Innovation by 3M has opened up this area of flat cable application with its Scotchflex Delta system. Connectors are compatible with the internationally standardised D series subminiature connectors and are combined with a unique flat cable featuring varying conductor spacing. This matches the contact pitches of both the Delta connectors and existing Scotchflex components.

Delta connectors incorporate the "U" contact, which pierces the insulation and grips the conductor to provide a permanent connection, terminating a complete cable on to the connector.

SAFETY

Standard for gas cookers

TAKING THE lead in European standards, BSI has published a new safety standard for gas cooking appliances. Since work within the European Committee for Standardisation (CEN) on this subject is still incomplete, BSI has decided to go ahead with a British Standard, BS 5258 "Safety of domestic gas appliances, Part 2: Cooking appliances," provides specification for the intervening period, until a European standard is finalised.

quality of standard sensors available in the past was often not sufficient, the measuring techniques group in the technical products division of Degussa, Frankfurt am Main, has developed two new types of slot resistance thermometers which can meet the most demanding requirements.

Measurement accuracy of these new resistance thermometers does not change as a result of pressure or bending. They are designed for temperatures up to 180 deg. C as well as for very high dielectric strength. Type DNW-3180 resistance thermometer has a dielectric strength of 3 kV, and Type DNW-180 has a dielectric strength of 5 kV. The support bodies can be bent with a minimum radius of 100 mm and subjected to pressure loading up to 40 kg/cm² during operation.

Degussa has applied for patents on these new slot resistance thermometers, which because of their mechanical loadability are also suitable for measuring temperatures on curved surfaces or inside stacks of products.

Degussa, D 6000 Frankfurt am Main 1, Postfach 2644, German Federal Republic.

in a single, error-free operation. This eliminates the necessity to separate, strip and individually terminate conductors and can cut assembly time by as much as 85 per cent.

Fast and economical assembly of wiring harnesses is possible and equipment incorporating the new system can interface directly with equipment using other standard D connectors, eliminating the need for paddle boards or other adaptors.

Delta can substantially simplify design and reduce production costs within a piece of equipment by enabling flat cabling to be taken directly to the input/output connectors.

The flat cable has conductor spacing which alternates between the 0.050 in. (1.27 mm.) centres of the Scotchflex system and the 0.054 in. (1.32 mm.) spacing of the Delta connector. Each conductor pitch zone is approximately 8 in. (203 mm.) long, with a transition zone of approximately 1.5 in. (38 mm.).

By appropriate choice of connector positions, it is thus possible to assemble a harness of any length—subject to a minimum of approximately 2.5 in. (64 mm.)—with a standard Scotchflex connector at one end and a Delta connector at the other. Alternatively, a harness of any length up to 100 ft. can be double-ended with Delta connectors.

3M UK, 380 Harrow Road, London W9 2HU, (01-266 6044).

Parts to be published later will cover central heating boilers and circulators; drying cabinets; fanned-circulation ducts; heaters; gas fires; refrigerators and food freezers.

It incorporates requirements for 2nd family gas (natural gas) appliances and includes relevant and revised requirements for 1st family gas (town gas) and for 3rd family gas (liquefied petroleum gas, otherwise butane and propane) appliances, previously given in BS 1250 and BS 2491. Some of the provisions are set deliberately high to make allowance for manufacturing tolerances and variations in the supply of fuel.

The aim of the standard is that all appliances complying with it are safe in normal use.

BSI's safety mark will be suitable for manufacturers to use as proof of compliance with this new gas appliances standard.

Copies of BS 5258 are available from BSI Sales Department, 101, Pentonville Road, London N1 9ND, price £3.50.

Safe start on machines

A PNEUMATIC, two-hand start module, for use as a safety aid on hazardous machinery, while an operator could accidentally leave one hand in a working area, is available from Austin Beech, Brighton Bazzard.

The module, which complies with the current regulations governing health and safety at work, has been developed for fitting as original equipment or as an accessory to existing machinery. It is particularly suitable for use with boring, drilling, cutting and forming equipment.

It requires almost instantaneous signals from two, widely-separated push buttons before it will provide an output signal to initiate the machine cycle. Both buttons must be released to reset the circuit.

The basis of the module is a shuttle, check valve, orifice check and three relay valves mounted on a 1 inch BSP ported manifold block. Relays and shuttle valves utilise Beech Pneumatics metal to metal, stainless steel spools and housing sleeves which are individually matched in pairs to exceptionally close tolerances. Absence of moving "O" rings and flexible seals in this design ensures that the unit will have a long and trouble-free life.

Austin Beech, POB10, Leighton Buzzard, MK23 3ZB.

TELEX—£25 p.a.

If your business does not warrant a telex machine, you should consider joining our Telex Sharing Service. This is the only way to get now "telex" without the cost of owning a telex machine.

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DATA PROCESSING

Aids sales accounts and controls

FOLLOWING THE successful introduction some 18 months ago of the Gross electronic sales register the company has taken several steps further in collaboration with Wang Electronics.

Designed to look like and function as a conventional cash register, the new system offers the user full computing facilities at low cost.

Alongside the cash register is a magnetic tape cassette data logger which automatically records all register transactions, including identifying the register in use, the item price and code. The cassette data is processed on a Wang 2200 desk top computer system, to provide whatever information is required for efficient stock management and control operations.

Details of transactions can be read into the system through a light pen (attached to the register) that reads bar coded labels. Gross produce a bar coded label machine, said to be at least 80 per cent cheaper than equivalent equipment.

So that no sales item information is lost the cash register will only function if the logger is operating correctly. Each cassette will record 7,000 transactions.

INSTRUMENTS

Detects hot metal on the move

SPECTRE-2, a new hot metal detector from Setpoint, is an updated and improved infra-red detector designed to detect the arrival and departure of hot materials for control and measurement in ferrous and non-ferrous rolling mills.

Once the device is pointed at

actions. When full it is automatically ejected.

The cash registers range in price from £750 for a simple version to £1,500 with all the peripherals, while the Wang 2200 minicomputer costs about £15,000. The two companies estimate that a small departmental store, or a chain of shops, using about 20 cash registers, could be fully equipped with the system for some £30,000.

Alternatively, a user with only the data logging registers could have the cassettes processed weekly or monthly by Gross at Brighton for an annual fee of about £10,000. The system is compatible with a number of main frame computers.

Because the system is so simple to operate, Gross are looking at applications outside the commercial cash register field. The company is considering installing an industrial version of the register in its own works (where almost all the system, except the computer, is made), to record the progress of components on the production line, again feeding the cassette data to a computer for stock control, etc.

Gross Cash Registers, 62 Baker Street, London, W.1.

Telex at the desk

ALTHOUGH THERE are widespread facilities for voice transmission in business life, the written word remains more difficult since there is usually only one terminal—the telex room—in each company or location. Delay in message reaching recipients is inevitable.

Now, Siemens has announced a telex branch exchange, System

102, which allows the setting up of an intra-company network serving up to 200 extensions.

It is essentially a store and forward switching system, but can also deal with normal circuit switching (like an ordinary phone exchange), to give written "conversational" mode.

In the store and forward mode the extension user does not have to concern himself with the prospect of the line being engaged or with distribution of the message to a number of destinations. The system stores the text and instructions, makes connections and transmits without the intervention of an operator.

An editing function enables the user temporarily to store a rough draft, revise it (several times if needed), and transmit it only when desired.

In the circuit switching mode the 102 operates, so far as external telex subscribers are concerned, as a normal telex station and in a FAX-like fashion so that individual extension users can exchange information among themselves without restriction as well as with external subscribers.

Use of the extension telex-printer machines is made easier by the system acting as a guide for the user. Simple routing and addressing routines have to be followed, but if they are not correctly formulated they are rejected with details of the error.

Basis of the 102 is a freely programmable communications computer which controls the storage, editing and switching functions. System design will permit modifications or additions and Siemens states that the equipment will work with currently available teleprinters or with any likely forthcoming terminals for this purpose. More from Siemens (U.K.), Great West Road, Brentford (01-898 9133).

It is also suitable for use where an infra-red radiating material requires control from one process to another.

In Spectre-2 over 80 separate electrical components have been replaced by a single hybrid logic chip, and the output relay has been up-rated. An internal solid state infra-red source mounted in front of the triple photo-diodes can be switched on either manually or by computer to provide confirmation that Spectre-2 is operational. A small LED lamp mounted in the casing gives a visual indication when the detector sees hot metal.

Once the device is pointed at

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Sheffield S37 1J

ELECTRONICS

Novel form of relay

INSENSITIVITY to position, complete absence of contact bounce, sealed contacts not subject to deterioration, and ease of assembly on circuit boards are the advantages provided by a design of small current relay introduced into the U.K. by Gunther Electronics, a subsidiary of W. Gunther of Nuremberg.

Designed by Dr. Robert Hermeyer, the relay is contained in a glass envelope measuring only 28 mm long by 4 mm diameter, the middle section of which is drawn out into a capillary into which a mercury filament is injected during manufacture. The larger diameter sections on each side of the capillary contain highly compressed inert gas, and one of them has a heater sealed in. The contacts to be operated take the form of metal insertions down the length of the capillary. The relay is actuated by applying ac or dc of about 2V to the heater, when the gas in the chamber expands, moving the mercury filament towards the non-heated end and giving bounce-free contact between the mercury wetted platinum electrode insertions. The contacts have a low and constant contact resistance over the entire life of the relay.

Contacts are available in forms A, B, C or D and 200mA can be switched at 6V, 10mA at 110V. Contact resistance is 300 milliohms, even at very low voltages.

Weighing about one gram and silent in operation, the relays are well suited to direct mounting on boards. Main applications will be in high density packaging in sensitive circuits, radio frequency switching, microphone and mobile applications. The operating time is about 30 ms, release time 45 ms. Price is about £2 each. More from 7 Church Street, Wimborne, Dorset, (0202 887488).

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Arbuthnot Latham

Extracts from the statement by Mr A. R. C. Arbuthnot, Chairman of Arbuthnot Latham Holdings.

The past year has seen severe difficulties in all financial markets and your directors have followed a policy of prudence and consolidation. The profits of the group after tax and after transfer to inner reserves in the bank, but before extraordinary items in the non-banking group, totalled £998,000 compared with £712,000 the previous year. A final dividend of 4.91p per ordinary share is recommended, making a total of 7.61p, which is the maximum increase permitted under current legislation.

The profits reported by Arbuthnot Latham & Co., the banking group, show another increase to a total of £486,000 against £477,000. The balance sheet of the bank is very similar to that of the previous year. In domestic banking, where Mr. F. C. Saville has a major responsibility within the bank, there have been good results. The currency business also had a satisfactory year.

Shareholders will have read in the press of Mr. N. J. Robson's resignation from being Chairman of Arbuthnot Latham & Co. in order to devote more of his time to Grindlays Bank. However, we are all of us delighted that he will be able to continue to play an active part on the board of Arbuthnot Latham Holdings. We have been glad to welcome Mr. C. J. Pridoux, formerly Deputy Chairman, as the new Chairman of Arbuthnot Latham & Co.

Mr. J. Dick, a director both of the holding company and of the bank, has moved to Singapore as managing director of Chartered Merchant Bankers. Our interests in the Far East continue to show good progress.

A development of special interest has been the setting-up, jointly with The Chartered Bank, of an Arab merchant bank in the Middle East, named Oryx Investments. Our partners in Saudi Arabia and the Gulf have a majority interest, while Arbuthnot Latham & Co. has a 21 per cent. shareholding.

In the non-banking group, Arbuthnot Insurance Services achieved a profit materially in excess of the previous year, thus continuing its satisfactory trend. Landauer & Co. (Fibres) had an excellent year. The factoring company has made a useful contribution, whilst our computer consultancy company, Arbar, is establishing a name for itself in banking circles both in this country and internationally.

By contrast, however, our Australian interests produced lower profits as a result of the economic recession in that country. Elsewhere, we have made an appropriate provision against an investment, and interest charges on current borrowings in the holding company were higher.

With political and economic uncertainties ahead of us, it is difficult to forecast the future. However, such has been the position on many previous occasions since Arbuthnot Latham was founded in 1833. Directors and staff work closely together, forming a strong and integrated team, and we face the future with confidence. My gratitude is due to all those who, together, comprise the group which is Arbuthnot Latham.

The Annual General Meeting will be held on Friday, 1st August 1975 at 12.30 p.m. Copies of the Report and Accounts are available on request to the Secretary, Arbuthnot Latham Holdings Limited, 37 Queen Street, London EC4R 1BY.

DGK's role of Central Bank to the German Cooperatives further extended to strengthen its position among Germany's leading commercial and investment banks

Consolidated total assets up 36% to approach DM 29 billion
Loans up 40% to reach DM 12 billion

With a massive influx of funds and stepped-up lending to first-class addresses, Deutsche Genossenschaftskasse recorded an extraordinary increase in domestic and international business in 1974.

Deutsche Genossenschaftskasse, DGK for short, serves in a dual capacity. Firstly, it acts as central bank to West Germany's vast cooperative sector, which thrives on the very grass roots of the Country's business life and includes some 5,200 banks with around 19,400 offices and branches.

For these banks DGK is the liquidity manager, the lender of last resort, and the central services organisation. Combined total assets in excess of DM 188 billion reflect the financial muscle of Germany's cooperative banking system.

Secondly, DGK is a full service commercial and investment bank, with expertise in all fields from large scale investment to factoring, and from underwriting to stockbroking.

DGK's international activities continued to grow rapidly in 1974, with the main emphasis on loans to banks and other first-

class addresses, including foreign subsidiaries of German clients. The volume of international payments and documentary business also expanded substantially.

DGK's foreign business was reinforced by the activities of London & Continental Bankers Ltd., the London merchant bank founded in 1973 with DGK as the majority shareholder. As the first institutional link between Europe's central cooperative banks LCB has helped strengthen across-the-border relationships which further European-wide cooperative banking.

BHF Bank-DGK International in Luxembourg, a joint venture of Berliner Handels- und Bankbank and DGK, also contributed to a broadening of the base of DGK's international activities.

As the first months of 1975 have shown, the outlook for the near future is governed by a continued influx of funds to DGK from the cooperative banking sector. DGK is in a position to absorb these vast funds and to place them in the financial markets wherever they are needed, at home or abroad.

Deutsche Genossenschaftskasse
The Grass-Roots Bank of Germany

6 Frankfurt (Main), Tannustor 3,
P.O. Box 2628, Telephone (0611) 25631-
Telex 0411261

SAINT-GOBAIN- A REPORT

Saint-Gobain-Pont-à-Mousson; one of the world's major industrial groups.

Saint-Gobain-Pont-à-Mousson is one of the world's leading manufacturers of glass for the building and automobile industries, of insulating fibreglass, of pipe (especially in ductile cast iron) and of asbestos-cement products. It is also a leader in Europe in glass, paper and cardboard packaging, in fibre for the reinforcement of thermoplastics, and in meters; a leader in France for household plumbing and heating and prefabricated houses, as well as a specialist in pipelaying, water and sewage treatment, air conditioning and investment goods.

It is one of the top forty industrial groups in Europe—and one of the top hundred in the world—as measured by its sales and profits; the Group includes 134 companies of 16 nationalities, controlled and managed by the parent holding company, Compagnie de Saint-Gobain-Pont-à-Mousson.

Saint-Gobain-Pont-à-Mousson is a market-oriented group, trading with 100 countries, through six largely decentralised divisions, with 200 factories, large and small, as well as contracting companies operating on construction sites and distribution companies operating a network of depots.

The activities of Saint-Gobain-Pont-à-Mousson.

Construction Materials:

Saint-Gobain Industries (France)—Triplex (France)—Everdur (France)—Vegla GmbH (Germany)—Grünzweig + Hartmann und Glasfaser AG (Germany)—Glaceries de Saint Roch (Belgium)—Fabbrica Pisana S.p.A. (Italy)—Gullfiber (Sweden)—Certain-teed Products Corporation (USA).

Flat glass, fibreglass, insulating products, asbestos-cement, wood. 1974 consolidated sales, 6,745 million francs (31.8% of total).

Refractory Products:

1974 consolidated sales, 603 million francs (2.8% of total). Société Européenne de Produits Refractaires (France)—Quartz et Silice (France).

Contracting and Services:

Socasa (France)—Baleyny Briard (France)—Maisons Phénix (France)—Air Industrie (France)—Grünzweig + Hartmann Montage GmbH (Germany).

Insulation, pipelaying, water and air treatment, electricity. 1974 consolidated sales, 3,245 million francs (15.3% of total).

Pipework and Engineering:

Pont-à-Mousson SA (France)—Halbengerhütte GmbH (Germany)—Ester AG (Germany).

pipes, valves and fittings, meters. 1974 consolidated sales, 3,852 million francs (18.1% of total).

Packaging:

La Cellulose du Pin (France)—Secar (France)—Saint-Gobain Emballage (France)—Saint-Gobain Desjonquères (France)—Donohue (Canada).

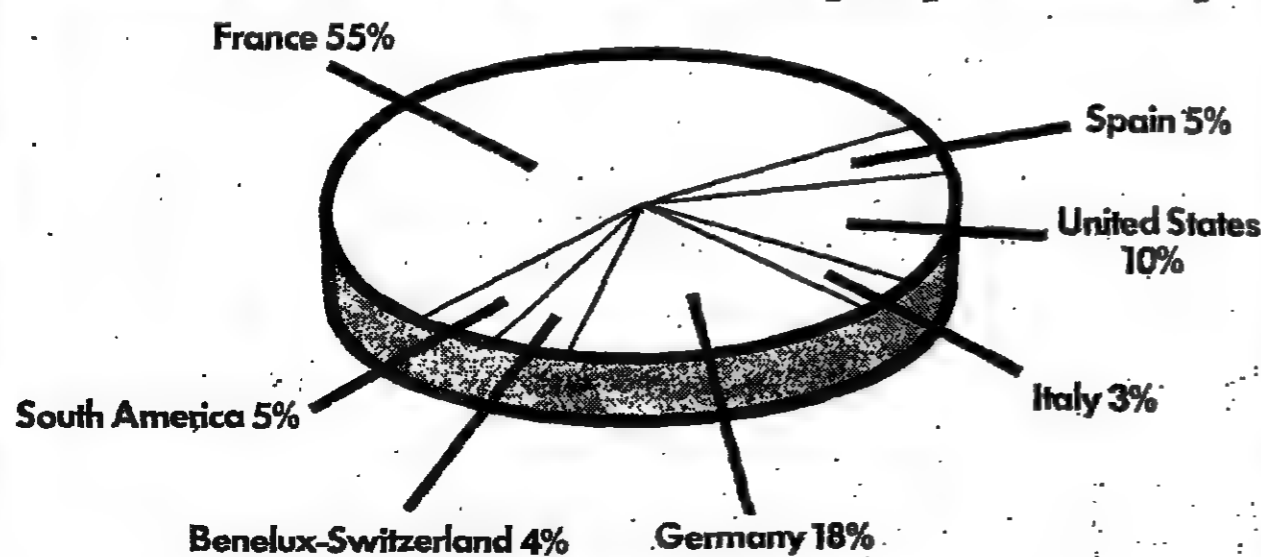
glass, paper, cardboard, cartons. 1974 consolidated sales, 4,396 million francs (20.7% of total).

Distribution:

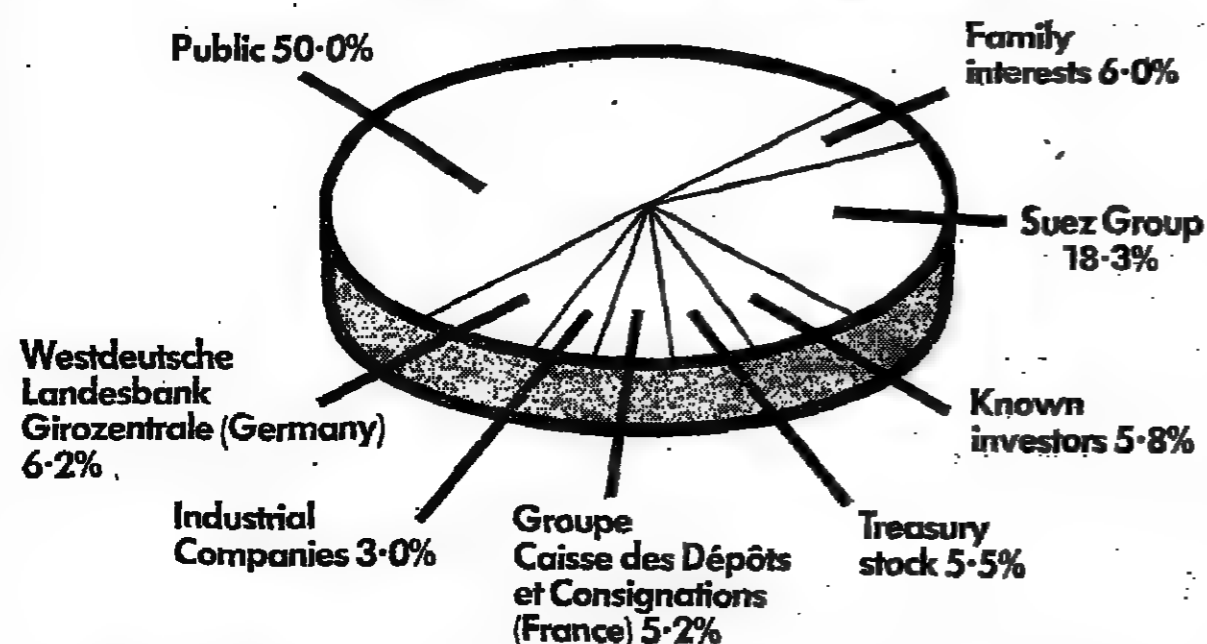
Davum (France)—Héma (Netherlands).

of metallurgical and other construction materials. 1974 consolidated sales, 2,389 million francs (11.3% of total).

Sales of the overall Group by Country.



Principal Shareholders

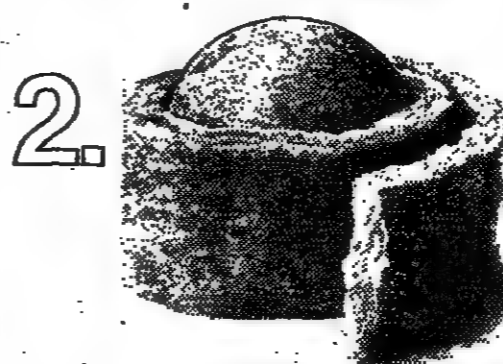


Two important trends for the Group.

1 Continued investment outside Europe.
Without neglecting the countries in which the Group is already established, we are continuing to devote more attention to the principal developing regions of the world—in particular, to Latin America, the Middle East and South East Asia. It is in the development phase following industrial "take-off" (and before full industrial development on the European pattern has been reached) that demand for the intermediate goods of which our Group is an important producer, is strongest.

Already, this investment strategy has been justified by events; our operations in Brazil (dating back to 1937) now account for some 5% of Group sales, and we were well established in Iran, Venezuela and Mexico long before the oil "revolution."

Today, the developing countries account for 12% of our industrial sales; this percentage should increase to roughly 20% in 1985, as the markets develop.



Insulation: a growing need.

Insulation is well on the way to becoming as important as glass for the Group.

The Group has been aware of the importance and potential of insulation materials for several decades, and was taking appropriate steps long before the oil crisis sparked off public awareness and increased demand.

From the very beginning of 1974, demand for insulating products—stimulated by fears of shortage—was accelerating in all European countries with the exception of Germany, where the building industry was already affected by the recession. Total Group sales in this market rose by 23% to 1.8 billion francs (most notably in France, where volume rose by 45%, and sales by 60%).

When the sales of Certain-teed Products in the US, and Gullfiber in Sweden (in which we have important minority holdings) are included, the Group is now a world leader in insulation.

PONT-A-MOUSSON ON 1974.

1971-1974: four years of growth
in sales and profits.

In millions of francs	1974	1973	1972	1971
Net consolidated sales	20 881	15 741	13 063	10 560
Net sales of associated companies	9 383	7 538	3 860	4 330
Consolidated working capital provided by operations	1 696	1 407	1 233	977
Consolidated investments	2 748	2 271	1 796	1 550
Net consolidated income	704	613	441	365
Capital	2 970	1 967	1 967	1 967

1975: We have not escaped the effects of the world recession.

Extracts from the Statement by the Group's Chairman, M. Roger Martin.

The rigorous anti-inflationary policies applied by Governments in Europe and the United States, together with the deflationary effects of the oil crisis, have entailed a serious slowdown in economic activity.

A fall in demand.

The fall in demand, which was already noticeable in Germany in 1973, has become a universal phenomenon. We have thus entered a period of under-consumption, and we see no convincing signs of the recovery which has been promised. The downturn in the business cycle has been sharp, and the state of our order books is such that, in spite of the measures we have taken to adapt to the present circumstances, we have no hope of any real improvement in the situation during the second six months of 1975. The most likely prospect is that even 1976 will remain difficult. In these conditions, the size and diversification of the Group are our best guarantees for riding out the storm. The difficulties of the present time justify our strategy, for the businesses which we have brought together are certainly better able to resist the prevailing winds together than they would have been alone. Moreover, our markets correspond to real and permanent needs.

For an industrialist, analyzing a situation means first of all considering the degree to which his production capacities are being used. In our fields of operation, as is doubtless the case in many European industries, the recession coincides with the start-up of new, frequently large-scale plants, which are the fruit of the investment programmes which were underway. As a result, the level at which our plants are operating is often considerably below capacity.

Employment.

This situation obviously raises the problem of employment in our Group.

Throughout the first half-year, we have striven to mitigate the consequences of the recession for the whole of our personnel both in France and abroad. We have thus preferred to reduce working hours, thereby avoiding as many redundancies as possible. We have succeeded in this attempt. Yet it is obvious that the limits of this policy, which is expensive in

spite of Government assistance, are fixed by the very duration of the recession. I must repeat, it is not in our power to raise dikes against the ocean. We must therefore now expect a certain reduction in the numbers of our employees. The extent of the redundancies will depend on the impact of the reflation policies which the respective Governments may put into effect.

We shall continue for our part to do all that is in our power to keep redundancies to the strict minimum.

Prospects for 1975.

The impact of the present economic situation can also be discerned in the financial data which helps determine the contours of our Group. For the first six months of 1975, our consolidated sales will be scarcely higher than in the first half-year of 1974. For the whole year, our consolidated sales, on the basis of constant structures, should reach approximately 22 billion francs, an increase of only a few percentage points, in terms of current francs.

But it is of course in our income statement that the worsening of the economic climate is the most evident. We have already observed that the recession prevailing in Germany has tended to cancel out nearly the entirety of the net income of most of the Group's companies operating there. We have every reason to fear that the present French situation will entail similar consequences for many of our activities. The same is true for our Belgian companies. In addition, we have new cause for concern for our Italian companies, whose situation we had thought was stabilized last year. Fortunately, our Spanish, Brazilian, and American operations are distinctly more satisfactory. Yet on the whole, we must expect a sharp drop in the Group's net income. Nevertheless, in evaluating the future possibilities for dividend distribution, it is important to take into account both the Group's structure, which entails a one year postponement of the transfer of a number of subsidiaries' income to the parent holding company, and also the retained earnings held over from preceding financial years.

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The Marketing Scene

Radio rates rise

WITH an eye obviously on forthcoming price controls Broadcast Marketing Services, one of the two companies selling commercial radio time in the U.K., yesterday raised by 30 per cent the cost of advertising on its three leading stations, Capital, Clyde, and Radio City in Liverpool.

The increase also creates a rough price balance between the stations. It now costs 25p-26p a 1,000 for the basic rate on Clyde, 30p on Capital, and 27p-28p on Radio City. But most advertisers buy packages, which reduces the expense to about 15p-16p on Capital, with the other stations a few pence cheaper.

Commercial radio can afford to raise the cost of its air time because demand is stronger here than in any other advertising medium. Revenue in June, for example, at Capital was 45 per cent more than in June last year, and Clyde recorded a 50 per cent improvement.

There was also encouraging news from City where the official RSGB research survey indicated an audience of 1.2m. a week in the extended area and 902,000 in the VHF region. Its audience share 24 per cent in the VHF area, the same as Radio One, but slightly behind the 27 per cent of Radio Two.

London agencies. Initial billings are expected to be £100,000. CRAWFORDS has retained advertising for Spain Oranges, which came up for a statutory two-year review. Spending will be £200,000 over the next two seasons. The agency has also gained Christy's Towels, the household textile side of the now defunct Burnham-Lovell. Last month Crawford's gained the hosiery division of Courtaulds, and now handles £500,000 of advertising for the client.

SMEDLEY HP is launching its first national press campaign for HP Epicure Pickled Onions over a three-week period beginning July 14. Brand leader HP Epicure has a quarter of the £7.4m. pickled onion market. FIVE AGENCIES were elected members of the IPA at the last IPA Council meeting, bringing the total up to an all-time high of 255. The new members are Hilton Advertising, McAlpine Pitt, Savino and Company, Struthers Advertising and Marketing, and Wells Rich Greene.

CARLTON CROFTON Harvey and Partners is to handle the Wells for Men advertising, following the agency's decision to separate the men's range advertising from the women's. Cunningham Hurst will continue to handle the women's products.

QUADRANT Films, a film production company making TV commercials and promotional films, has come up with a novel idea for stimulating new business in a difficult year. It is prepared to be paid for its work over four years, so that an advertiser gets a completed commercial at once but can pay for it in "depreciating" £s.

Weight of the law

BY ANTHONY THORNCROFT

THE U.K. has always prided itself on its advertising controls—a mainly voluntary code administered by the industry itself. This confidence took something of a shock last year when both Mrs Shirley Williams and Mr John Methven, the director of Fair Trading, told advertisers and agencies that they doubted whether an industry-run system could survive an era which placed the interests of the consumer before all. But the industry gained the chance to tighten up the loopholes, and so far it has managed to avoid the heavy hand of statutory control of advertising. In order to maintain its freedom the Advertising Standards Authority has introduced more rigid guidelines over drink advertising and, in the near future, over tobacco—though the Department of Health seems to be insisting on very tight guidelines here. And, in practice, there are many statutory controls that affect advertising tucked away in legislation covering other areas.

But advertisers and agencies rarely think about the law. They are too involved with the day-to-day business of creating, buying, and assessing advertising. This slap-happy attitude is bound to change, given the increasing role of Government in business life, and a new volume, *Advertising and the Law*, in the Common Market, is a sign of the change. Compiled by Dr Richard Lawson, a lecturer in law at Southampton University, it covers every aspect of advertising law in all the EEC countries, plus the legislation from the Commission in Brussels. A glance at the book, which is loose-leafed so that updates can be added, underlines how relatively unscathed compared with other countries. In West Germany, for example, there is no voluntary control system, and tight statutory rules prevent tobacco and drink advertising angled towards the young, and advertisements that could be taken to denigrate any firm or product, even indirectly. Strong sales promotion laws mean that there can be no "proof of purchase" competitions. As the U.K. gets more involved in the EEC, common laws will be evolved, and they are likely to be based on the tougher statutory controls of countries like West Germany rather than the voluntary British system.

Whatever happens in the future, any company planning to market overseas needs the kind of straightforward information set out in this book, which is priced at £20. It is quite likely that a company will find that its labelling, even in the U.K., goes against a law that is not always strenuously enforced. This whole area has been left to chance, but it is hard to believe that manufacturers will be able to take liberties for much longer.

ARE FRENCH ADVERTISING LAWS DOUBLE DUTCH TO YOU?

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We've just published a book on the subject, called *Advertising and Labelling Laws in the Common Market*. It's written by Dr Richard Lawson of Southampton University, a man with a vast amount of experience in this field.

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THE BIRDS EYE ANNUAL REVIEW 1975

Women come of age

BY DOINA THOMAS

MORE CONFIDENT, less distrustful of current business methods, advertising and packaging, and more inclined to have a say in domestic financial decisions, that is a word picture of to-morrow's woman as drawn for Birds Eye by NOP and Taylor Nelson Associates.

The women questioned by Taylor Nelson and NOP for the 1975 Birds Eye Annual Review of the frozen food industry were all in the 18-34 age bracket, women for whom branded goods, consumer promotions, commercial television and all such aspects of market-

point consumerists—sometimes forget.

Along with the greater expenditure on convenience foods over the next five years to-morrow's woman is also likely to acquire more labour-saving appliances. The most popular of these machines was the washing machine. Over 90 per cent of the sample owned one and nearly 90 per cent had a refrigerator. Over a third already had a freezer, compared to a national average of around 18 per cent, but dishwashers are still lagging: only 1 per cent possessed one.

The impetus behind the sales

stores and hypermarkets as they spring up. Few seemed interested in personal service or flexible shopping hours but 95 per cent said all supermarkets should have car parks. At present some 72 per cent of the sample shop at large supermarkets and another fifth use the small supermarket or self service store.

Most of the women do their shopping once a week though what Birds Eye refers to as "a small but significant" number now shop only once a month. Another small but significant seven per cent do their main shopping in superstores or



From left to right, Elizabeth Nelson of Taylor Nelson Associates, Ken Webb, chairman of Birds Eye, and Keith Jacobs, the marketing director.

ing are "as much part of their upbringing as free school milk." Fortunately for the future of Birds Eye, at least two-thirds of these women think they will be buying more frozen food in the next five years. Last year the market only increased 5 per cent in terms of volume of frozen food consumed.

The greater confidence of these women is reflected in their attitudes towards the various consumerist badgewords. As Dr Elizabeth Nelson, of Taylor Nelson, pointed out, the younger woman is less likely to join consumer organisations, is less interested in receiving nutritional information, or unit pricing, or the ingredients in any one product, less concerned with the degree of packaging or the reality behind consumer promotions.

It seemed that the sort of information that they wanted was already on the packs but mostly on the back. The latest Birds Eye innovation in the labelling field, marketing director Keith Jacobs pointed out, was the conspicuous printing of weight, cooking time, numbers of servings and a space for the price in boxes on the front of new Birds Eye packs coming into the stores. On the question of unit pricing he observed that this was a major difficulty for retailers, who are suffering some staff shortage at present, for it is they who set the end price, a

of these labour-saving devices is in the greater number of women who combine domestic with working life. As around two-fifths of married women now work they have learnt to organise their domestic responsibilities more effectively and make light of the possible disadvantages of combining work and home. The younger women in particular seem to demand greater self-fulfilment which expressed itself in a demand for equal opportunities (53 per cent of the under-34s wanted it as against 34 per cent of the 34/65-year-olds), and interesting, challenging and meaningful jobs.

If it is unsurprising that self-expression emerged as a strong priority among younger women, the areas in which they decided they could exercise their talents were surprisingly traditional. Nearly two-fifths felt that they expressed themselves through creating new dishes (and the same number felt they did it through dancing), 46 per cent found self-expression through knitting or crocheting and 41 per cent through dress-making. One third even felt that finding new ways of doing daily tasks was a form of self-expression.

There are signs that this young, assertive and confident woman is increasingly finding food shopping rather tedious. This will mean that she will shop less often and spend less time in the shop, being drawn to large supermarkets, super-

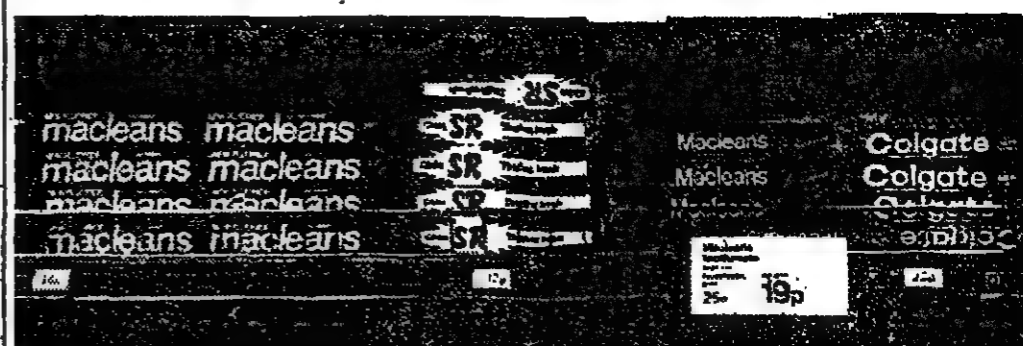
hypermarkets and considering the scarcity of these that is interesting in itself. Freezer centres, too, have their devotees, many women think that they are occasionally cheaper than supermarkets.

Sales through freezer centres in the last year showed about double the growth of the market (in volume) in total, being 10 per cent. Not unexpectedly vegetable sales kept up well, increasing by 11 per cent but cakes and dessert products showed a 7 per cent increase in spite of economic crises. And the younger woman, while being very price conscious, is apparently willing to pay a premium for convenience foods in order to give herself the time for that self-expression she considers so important.

ADVERTISING RESEARCH

Television works fast

BY ANTHONY THORNCROFT, MARKETING EDITOR



ADVERTISING obviously works (if it did not the country would be wasting over £900m. a year), but there is a marked reluctance by those involved in the industry to discover actually how it works. Many studies attempting to relate advertising spending with sales are shot through with fallacies, or else lose themselves in a mass of statistics, and it is generally easier for advertising people to avoid the issue by saying "that it is all but impossible to isolate the contribution of advertising from other factors but experience seems to justify the expenditure."

Now the Television Consumer Audit, established by the larger ITV companies to provide hard evidence of the power of TV advertising, has finally come up with a report which at first glance gets to grip with the essentials. It is entitled "The effects of advertising on brand shares" and examines what happened to brands of tooth paste, hair cream, and other consumer goods when promotional activities—from advertising to price cuts—were tried out.

But advertising on television for both new and established tooth paste brands led to an immediate positive sales response, a response that was not followed by a negative reaction. More precisely, brand share actually increased in the week of advertising, and for up to four subsequent weeks. By contrast below-the-line activity, such as trade deals and on pack offers, while having an immediate (and often greater than advertising) improvement in brand share, were followed by a negative sales reaction. Apparently below-the-line promotions persuade customers to bring forward purchases that would have been stretched over weeks.

This pattern seemed to hold for all brands, with the largest brands showing the smallest response to changes in share of below-the-line activity, while the minor tooth paste reacted more energetically, suggesting that a manufacturer has to spend heavily on promoting a leading brand to get a significant boost in its brand share.

The TCA is rightly proud of what it regards as the most important and original conclusion from the research—that advertising has an immediate impact. It has often been maintained that TV advertising builds up brands only in the long term. A frequently quoted as a horrible example of what happens when brand advertising is run down in

favour of competition by price—the retailers' "own label" brands captured over 40 per cent of that market.

In the absence of chapter and verse it is perhaps easiest just to summarise the conclusions that the study is said to point towards. Five promotional approaches were examined: television advertising, price offers, retailer deals, non-price offers, and retailer price cuts. It is reported that non-price offers produced no systematic influence on brand shares, which is in line with other TCA studies.

Even the methodology has pretensions towards importance. When it came in below-the-line expenditure the TCA accepted the fact that manufacturer's recommended prices were no longer a useful guide to actual shop prices so a "normal" or "regular" price was determined, an important breakthrough in below-the-line research. In the same way television expenditure was assessed not by the conventional gross terms but through a brand's share of television rating points.

So on top of the marketing implications from the study there will be plenty of bones for researchers to chew over in the methodology. It is to be hoped that the full report, naming names and making the exercise relevant to other manufacturers, will be available soon. After all the original research is already a few years old and although the basic truths are no less relevant there is a natural aversion to dated data.

activity. "While it is the totality of promotional activity that helps to shape the characteristics of a particular market—its rate of growth, the extent of private label development and the importance of price competition—for an advertised brand, it is its share of total promotional activity that seems to be crucial for continuing development."

A danger

Unfortunately most of the released report is couched in this kind of language and there is a danger that working marketing executives in both agencies and manufacturers will be deterred by the heaviness of the survey. It has been a time consuming process—AGE which handled all the data was horrified when it totted up the man hours and computer time involved in the report. But the findings are important and if the full study, and the mathematical studies, stand up to critical review the full out should be considerable.

Committee

Since many companies were involved in this study the first summary of results shows all the signs of being drafted by a committee. The final report, naming the brands and setting out mathematical models which can be applied to other packaged goods markets to evaluate different promotional approaches, has yet to surface, but if it re-inforces the initial findings it could prove an important document for the advertising industry, to be flourished at innumerable seminars and presentations. One of the previous studies by the TCA, which examined the effect of the switch to price promotions in the soft drinks industry on the growth of the market, is still frequently quoted as a horrible example of what happens when brand advertising is run down in

Enter China Dragon

THE RATE of new product innovation in the frozen food market has always been high and with Birds Eye, with its long tradition in the market, has had to work extra hard at it. Marketing director Keith Jacobs claims a success rate for last year's new products of some 80 per cent, the two failures both being fish products which are unlikely to graduate from their regional markets into national distribution.

However the company is tremendously pleased with its introduction of cheesecake into the frozen food cabinets. Three varieties were launched in September 1974 when branded cheesecake accounted for only £3m. at rrp. Birds Eye estimates that the sales of its own product alone should top £2m. this year. Following this, and the fact that frozen cake sales are showing a real growth of around 20 per cent a year, the company is testing two cream filled gateaux and says that preliminary results are encouraging.

Another interesting facet of the British food market is the growth in the number of Chinese take-away food places. It is estimated that there are some 2,000 Chinese restaurants in the country turning over about £12m. with another £15m. being spent on food taken home, 91 per cent.

of younger women buy takeaway Chinese or Indian food and seven out of ten will have eaten Chinese in the past month. With such obviously tempting facts Birds Eye just had to produce a mini range of frozen Chinese meals.

There are six varieties in the China Dragon range and they are being tested in the south east. The products are the standard favourites, crispy pancake rolls, special fried rice, sweet and sour pork in crispy batter, sweet and sour chicken, chicken chow mein and prawn curry. Meanwhile the good old egg, bacon and cheese fan which was introduced in the North East and East half way through last year goes national next month.

New packaging, sometimes leads to new products and Birds Eye is presently experimenting in South Wales and the West Country with a range of Banzai fish packs, simple clear polythene bags which replace the traditional carton pack. Fillets and steaks are frozen separately and so can be cooked straight from the bag, the smoked fish products come in cook-in-bags which eliminate cooking smells. Birds Eye is hoping that housewives will respond to this innovation in the same enthusiastic way they greeted the vegetable Handbags.

This space reserved for a second line brand

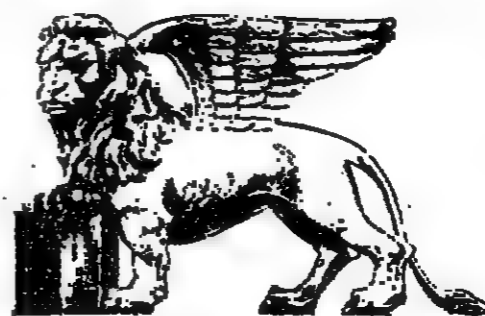
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THURSDAY, JULY 10, 1975

Waiting for the action

IT IS difficult to judge which piece of yesterday's news was the better from the Chancellor's point of view—that the TUC General Council had voted in favour of a flat-rate £8 limit on weekly wage increases during the coming "round" (which it dates from August 1), or that the Bank of England had succeeded in selling in only four days the £500m of new long-dated gillies issued towards the end of last week. Both demonstrate in their own way the readiness with which different institutions will support a Government once it seems really determined to tackle the problem of inflation.

The document on which the TUC General Council voted yesterday is in many ways constructive and realistic—not least in its insistence that formal endorsement of the proposals is not enough to ensure their fulfilment and that trade unions and their members must be actively involved at all levels if the initiative is to succeed in its main objective. This, it cannot be too often repeated, is not to bring down the rate of inflation directly but to reduce inflationary expectations and to prevent unemployment from rising unnecessarily high during the period of readjustment: the unions are urging their members, in effect, to help one another, and cannot reasonably make large political demands as a condition of doing so.

White Paper

Whatever the political strains likely to arise within the Labour Party, in other words, the Government will now be forced by the uncertainty of confidence in sterling and its reluctance to accept the conditions that would undoubtedly accompany a large-scale international loan to introduce legislation in support of its wages policy—legislation which may conceivably be kept in reserve as an instrument of last resort but will be needed to convince observers abroad and at home that this second phase of social contract is not to fall as ignominiously short of what is needed as did the first. The White Paper to be issued to-morrow will presumably out-

line the legislation which the Government has in mind and the means by which wage restraint is to be enforced if voluntary measures fail. It is to be hoped that firms, which will be primarily responsible for enforcement of the policy in the private sector, will not be saddled with unwanted gimmickry or too much insulation, for richer or poorer, from the operation of market forces. It seemed strange that the CBI did not put forward a forceful point of view earlier.

But the most important steps which the Government can take to slow down inflation do not call for new powers. The imposition of cash ceilings on public sector wage bills, for example, is a measure of internal discipline which could have been adopted at any time, and which will help to extend to public sector employees the restraints under which private sector employees must already operate.

Money supply

For the moment, it is arguable, substantial cuts in public expenditure are not desirable even if they could be made effective; but that does not alter the fact that considerable cuts in projected expenditure are needed to make room for some rise in personal consumption spending. Similarly, it is arguable that for the moment a strictly controlled public-sector deficit does no great harm. But the method by which it is financed may well have lasting consequences, and the ease with which the Government has been selling long-dated stock to non-bank holders over the past few days, though welcome in itself, may not last for long. While interest rates may tend to fall as inflationary expectations recede, the fact remains that U.S. short-term rates are already rising again and that there will be direct and stiffer competition between the Exchequer and private industry for capital as soon as stockbuilding and capital investment begin to revive. If the money supply is not to rise at a rate which works against the attempt to reduce inflation to a tolerable level, its growth must be watched carefully from now onwards.

The phasing-out of subsidies

THE CONFLICT between the TUC and the Government on the issue of price controls was underlined yesterday when the Post Office announced plans for substantial increases in postal rates and telephone charges to take effect in the autumn. The statement was presumably issued with the Government's approval and is entirely consistent with the objective, announced last year, of phasing out subsidies to the nationalised industries and restoring economic prices.

Falling demand

The Post Office made its first step towards economic pricing at the beginning of this year: the increases announced then were designed to reduce the forecast loss for 1975-76 to about £50m. But in the ensuing months the financial position has deteriorated rapidly under the impact of rising inflation and declining demand, so that the forecast loss for 1975-76 is now estimated at nearly £300m. The effect of the new proposals should eliminate the loss on telecommunication services and reduce the deficit on the postal side to £70m, the maximum amount by which the Government is prepared to compensate the Post Office in the current financial year. In 1976-77 no compensation will be available. The Post Office cannot hope to recoup all the extra costs through price increases, which are in any case certain to depress demand even further. Further economies will have to be made, especially in manpower: the postal business spends 75p in every £1 on staff. The management is again pressing for permission to make certain changes in the services, including the ending of Sunday collections, the delivery of second-class letters by the third

Mrs. Gandhi's instincts for political gambling may soon be severely tested. Kevin Rafferty reports

India's rude awakening from its democratic dream

FOR ALL the hullabaloo about the State of Emergency, life in workaday India has not noticeably changed.

In Calcutta as the first slivers of daylight slip through the darkly pregnant monsoon clouds, people are already humping themselves and their newspaper or tatty blanket beds from the pavements and sluicing themselves down—"taking their baths," they say—under the open hand pumps which run into the gutters. In countless villages, Indians rise with the sun to prepare the fields for the main paddy crop and wonder and worry above all if the monsoon will be sufficient to give them enough to eat this year. Ask them, as I did, about the emergency and you will get a typical reply: "Who knows? Who cares? How will it affect me?"

Some of Mrs. Indira Gandhi's sympathisers say that this is precisely the point of the declaration of a State of Emergency. One said: "Thursday, June 26 may be bad for democracy in the narrow conventional sense, but it will be good for the people of India; now she can fulfil her promises unfettered."

Police may find out

However, India has changed. What used to be known as democratic India has gone and most commentators do not think it will ever be the same again unless there is a miraculous reversal. It immediately and obviously strikes you in Delhi that overnight, fear has replaced freedom. An Indian friend of longstanding who has no connection with politics or government, coming to see me, telephoned beforehand to ask if I minded if he brought his wife along—"just so anyone watching will realise that it is a social visit." The servant of another friend who had been free with his political opinions only the week before—mostly in favour of Mrs. Gandhi—shut up like a clam when I asked him his feelings last week. "The police may find out," he said.

Some groups within the country welcome the changes. The big industrial houses have been among the first to pledge their support for Mrs. Gandhi. The big businessmen welcome Mrs. Gandhi's warnings to the trade unions that now is no time for slackness or indiscipline. One of them in Ahmedabad, the big industrial city, told me: "Quite frankly, production is the need of the hour, not demonstrations." They see a mini-boom in prospect, given the slackness in India's economy. They look forward to better profits. And they are also not a little afraid that, if they do

The organised opposition at the centre is cowed; the opposition in the States does not know what to do. Both Gujarat and Tamil Nadu, where there are governments of opposition parties, have been more lax in dealing with protests than, say, Bihar and Uttar Pradesh where the crackdown has been thorough and the number of arrests high. In the Saurashtra District of Gujarat officials encouraged silent protests of demonstrators who marched with their hands tied behind their backs and lips sealed with sticky tape. But the Chief Minister of Gujarat, Mr. Subbhal Patel, pointed to the grave difficulties a State faces in trying to disregard New Delhi. The State's finances were in a precarious position



Mrs. Gandhi: If the Supreme Court decides in her favour—and if there is a good monsoon—she might well decide to go for a snap election, freeing the opposition but allowing them no time to prepare a campaign.

and without grants from the centre it would be bankrupt. Drought-hit Tamil Nadu is in the same position. In the final analysis Mrs. Gandhi would have much less compunction in taking over the State in the name of law and order than the State Government would have in resorting to open defiance. The Indian Press, which liked to see itself as the first guardian of democracy, has quickly crumbled. To-day the censor fails to understand and items about rumours officially denied which suggest that there may still be a few fires of opposition burning somewhere.

In spite of all this support, so far Mrs. Gandhi has not had to do much to prove her power. As one journalist admitted

is careful Mrs. Gandhi might find herself equally vulnerable.

One of the most important manipulations of the democratic system was Mrs. Gandhi's increasing autocracy. Lately Indian observers had commented that she had almost given up attending Parliament except to answer her questions each Wednesday. Since becoming Prime Minister she had relied on a "kitchen Cabinet" which traditionally consisted of selected senior ministers with civil servants, notably K. S. Bhatnagar (like Mrs. Gandhi) such as Mr. F. N. Haksar and Mr. D. P. Dhar. In the last few months such advisers, who were often criticised as haughty, arrogant and self-willed but who were part of the democratic system, appear to have been displaced.

The most important advisers to-day appear to be Mr. Siddhartha Shankar Ray, the Chief Minister of West Bengal who has been holding the State together by his tough policies, and Mrs. Gandhi's son, Sanjay, who is in his late twenties. Mr. Sanjay Gandhi is the managing director of the company making the Maruti "people's car." He has a reputation as a young man who makes money quickly, though some people have questioned his methods. I understand that it was Mr. Gandhi who demanded to know why there was no live television coverage of rallies in support of his mother in an outburst which led to the resignation of the former Information Minister, Mr. Gujral, who had pointed out that live coverage was supposedly limited to Republic Day and Independence Day celebrations.

"She absolutely dotes upon Sanjay," said one political journalist. "The whole atmosphere is getting rather like the Moghul Court." It was the present-day "Moghul Court" which was responsible for the decision to declare a State of Emergency and not the Cabinet, which was on hold later. The Moghul Court could be of the utmost significance.

What happens next depends on the Supreme Court judgment on the State of Emergency, and on Mrs. Gandhi's instincts for political gambling. If the Supreme Court decides in her favour—and most observers are agreed that they would be brave judges to hold out after all the hints that she has dropped—if the monsoon is good and if the security forces can keep the lid on the revolt against the Emergency, Mrs. Gandhi might well decide to go for a snap election, letting the opposition out with no time to prepare a campaign.

What is left of the legal is only opposition regards this as its only hope of saving democracy, as it opened the way for her successor by another, and worse, dictator. India is going to go on suffering.

hold a free election and be beaten. That is probably a forlorn hope as Mrs. Gandhi would be favourite to win an election. Although she may not be able to "fix" an all-India election she can still play with the system. The Press will soon be permanently muzzled—or its irresponsibilities constitutionally curbed, to use official language. The Congress Party alone has the money and the organisation over all India to fight a really strong campaign, and there are still many honest men who will prefer to vote for Mrs. Gandhi as they fear chaos without her. She would thus be able to preserve all the trappings of democratic legitimacy and hold in reserve the power to create a one-party State if the opposition in the new Parliament were troublesome.

All there on paper

But many specialists in Indian history doubt if you can long hold India down by force. They dispute the claims of apologists who argue that Emergency rule will allow Mrs. Gandhi to break through the trammels of black market money and corruption which have held India back. For a while, perhaps, the economy could improve and take up some of its slack, just as Calcutta felt relief when Mr. Ray's firm rule in West Bengal started. But there can be no solutions to India's problems without radical change. For example, there can be no relief for the Indian peasant until the landlords are curbed. The legislation is practically all there on paper, but none has been put into practice. Mrs. Gandhi has had four years of absolute rule under a democracy but has not dared to affect the reforms because they would hit at her Congress Party base in the rural areas. If she tried to ditch the Party she would be in bigger trouble.

One Indian who has studied closely the history of previous emperors, but asked not to be quoted by name—"in case I am on someone's number three list"—said: "No one, not even the most efficient dictator, has managed in the past to control all of India at the same time. She especially will not. She is not efficient. She has power, but power alone is not respected though it may be feared. India respects sacrifice and it is Jayaprakash who has made the sacrifices."

He continued: "What I fear is that Mrs. Gandhi has just opened the way for her successor by another, and worse, dictator. India is going to go on suffering."

MEN AND MATTERS

Keeping AIP in the family

The ground has been fairly thick recently with young property developers who made a lot of money in the boom days, only to fetch up in the bankruptcy court with tales of how high living disappeared in enormous debts. The successful Peter Olsberg, 32, who has had an archetypal rise through the property world, is unruffled. "I have always been a professional developer," he says. "The troubles have come to a large extent among amateurs."

Olsberg is becoming chief executive of the family company Amalgamated Investment and Property, run until his death last year by Gabriel Harrison, Olsberg's uncle. His grandfather, Sid Harrison, was one of AIP's founders; Olsberg was born in Lytham St. Anne's, a town of which he belongs to AIP by virtue of its takeover of St. Anne's-on-Sea Land and Building Company. AIP's links with the town were solid enough to move Gabriel Harrison to write a book on the place, *Rage of Sand*.

Olsberg first joined AIP in 1961 after three years learning the agency business. He was a director by the time he left in 1970 to found with three other young property men a company called Corporate Estates, later reversed into the public Sterling Land. That was taken over in mid-1973 by Town and City Properties when the quarter each owned stakes between £2.5m and £3m.

Olsberg is undaunted at the prospects as observed anew from AIP: "I still see property as the backbone of our economy." He denies reports that his terms for rejoining were high, though he won't say at present how he

will be paid. Harrison's 1973-74 salary was £14,331, but he also held 3.4m shares. Olsberg has yet to buy one: the price currently is 30 1/2 pence.



BBC's politician

If anything is to be read into the BBC's choice of Ian Trethowan as the man to take over from Huw Wheldon as managing director of BBC Television it is that the Corporation is playing it safe. Trethowan, a graduate of those bland days of mid-sixties political television, has steered his present charge, BBC Radio, through the potentially dangerous waters of competition with commercial radio. He has also managed to make the best of a bad time as the Corporation indulged in massive budget cuts.

Trethowan is a classic of the new top people at the BBC. He has a respectable track record as a performer, including an

early spell with ITN; is the right age, early fifties; has made a reasonable switch from front of camera to administration; and, above all, is an acknowledged expert at the political game.

Relationships between the Corporation and parts at least of Westminster are so strained these days that every bit of supporting expertise for Sir Michael Swann and Sir Charles Curran is a help. Trethowan has written and spoken on politics for everything from the Yorkshire Post and the Economist to ITV and the old News Chronicle. Now he will find himself in full confrontation with the real thing, and 1976 is likely to be the year when the Government will get down to considering what future the BBC should have.

Last exits from the old KU

Probably the closest Keyser Ullmann ever got to joining the top rung of corporate advice merchant banks was when it put together, for Jimmy Goldsmith, the Bovril and Allied Suppliers deals which made Cavenham a serious force in the food industry. A few months later, Goldsmith took the Cavenham business to Hambros. It seemed ungrateful at the time. But now that planned the Cavenham takeovers, has no job left at Keyser Ullmann, Goldsmith takes Franklin on to the Cavenham board.

How much of a favour he is doing in also giving Franklin a major role at the related Anglo-Continental, will probably emerge shortly. There certainly looks a case for much

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Observer

Paying the bill for past mistakes

SO NOW where are we? We have been told so often that a reduction in the rate of inflation will "transform the whole situation"—by the CBI, the Chancellor, and others—that the possibility is that some of those in authority now believe it. You decree that wage push is reduced, ensure that prices respond as quickly as is practicable, and sit back to await the transformation. With lower inflation rates interest rates will fall, housebuilding and investment will revive, the economic recovery will go a long way to correct the Government's finances; and, with a small boost from North Sea oil, we arrive in the Promised Land.

Beguiling

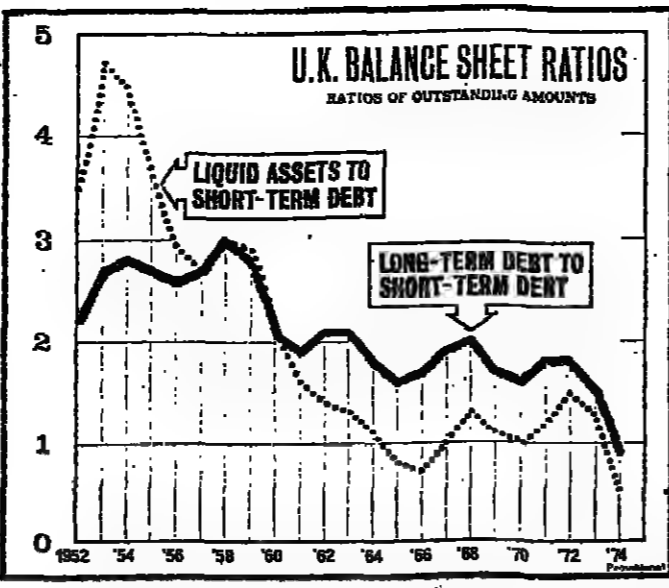
It is a beguiling picture but unfortunately one remembers other beguiling pictures. In 1969, for example, the CBI, with singularly ill-thought irony, told the Chancellor that investment and confidence would revive on the day when a CBI report could open with the words: "Now that the balance of payments is in large and continuing surplus..." Well, it did, and within a few months, but nothing happened. Between 1964 and 1966 many of us—and I was certainly one—believed that devaluation would solve all our problems. In a few years of feverish experiment we have reformed the banking system, floated the exchange rate, supported it, depressed it, tried extreme monetary restraint and extreme credit expansion, tried incomes policy with growth to make it acceptable and now with recession to make it stick. After so many trials and disappointments, it is hardly surprising if a growing number of people believe that there is not,

after all, a winning formula, which such a policy can be drawn up, it is still a very useful check. A thermometer will often give a doctor early warning that his patient is ill, or that his treatment is not working; but for better cures, he still needs better diagnosis. What would tell us, in advance, the size of a non-inflationary borrowing requirement? One diagnostic tool which we are only now beginning to learn to use is flow of funds accounting. This approach enabled the New Cambridge school to forecast, correctly, that the Heath reflation would produce as its main result a dreadful balance of payments; more to the practical point, it drew Mr. Denis Healey's attention to the cash problems of industry, and led him to make his concession on the taxation of stock appreciation. This is a real policy improvement.

However, we do not understand the surplus side of the monetary accounts as well as we are beginning to understand the deficit side. What makes people want to acquire financial assets rather than real goods? Failure to answer this question can lead governments into recessionary traps.

Forecasting

If anyone has developed a reliable technique for forecasting the kind of development which throws existing economic models and policies into confusion—such, for example, as the vast rise in personal saving, now some 4 per cent. of income, which has resulted from faster inflation—he has kept rather quiet about it. There is a suggestion, at least, that savers are reacting to fearful drops in the real value of their portfolios, and trying to rebuild them. This is plausible; but so is the quite



different suggestion that the many companies into a cash crisis, it was fairly widely understood that for a time afterwards, companies would be preoccupied with rebuilding a sound liquidity position, at the expense of real capital formation. The message unfortunately seems to have missed Mr. Edward Heath, whose boundless impatience at industry's sluggish response to his new era led to the monetary excesses of 1972-73. However, the warning was there to be read, and it does seem to have been read in the flow of funds accounts this time round, as we have seen.

A flow of funds account, however, records only the changes of a single year; a balance sheet summarises the capital history of a firm (or a country), and some very significant pointers, "recession" is not altogether new. After the great Jenkins squeeze of 1969-70 had thrown

similar work done by Mr. Henry Kaufman, of Salomon Brothers, because their financial assets are "social wage" towards productive investment—steel and oil, retraining, excessive. This in itself and some form of cash injection into the private sector. This trend towards lower profit margins and weaker balance sheets, which may impelled to get Japanese help industry to fund its debt by public sector purchases of company stock—pumping the capital market.

It is the long-term, "secular" trend towards lower profit margins and weaker balance sheets, which may impelled to get Japanese help industry to fund its debt by public sector purchases of company stock—pumping the capital market. This trend towards lower profit margins and weaker balance sheets, which may impelled to get Japanese help industry to fund its debt by public sector purchases of company stock—pumping the capital market.

Suggestive

This analysis bears a lot of questions—notably why there should be a world-wide secular decline in profit margins; but it is also richly suggestive. It actually predicts inflationary recession, which normally appears as contradiction in terms in models which leave capital out of account. Looking at the capital account also explains some other puzzles. As we have seen, there are reasons to believe here that private individuals as well as companies are under increas-

ing pressure to buy financial assets rather than real capital, because their financial assets are "social wage" towards productive investment—steel and oil, retraining, excessive. This in itself and some form of cash injection into the private sector. This trend towards lower profit margins and weaker balance sheets, which may impelled to get Japanese help industry to fund its debt by public sector purchases of company stock—pumping the capital market.

Equally, the capital analysis explains why successive governments of different parties—and not only in this country—have been increasingly driven to injecting money directly into the capital account suggests some unexpected conclusions. First, it seems likely that the system can accommodate, and indeed requires, a much higher Government deficit than we have been used to in the past. (The national balance sheet—the ratio of public sector debt to national income—has, naturally enough though perhaps unexpectedly, been getting rapidly stronger while the company sector has weakened, so there is no balance sheet constraint here.) At the same time, since borrowing is only sound if matched by productive invest-

Markets

What all this suggests to me, at least, is that the biggest improvement required now in Government policy is in the analysis and management of financial markets. We need both new borrowing techniques—and perhaps indexed bonds or "national equity"—and new forms of public spending which can be very rapidly varied. For example, the buying of company securities or vacant house property can be switched off and even reversed overnight. It is still unhappily true that our techniques for predicting financial investment, the surplus side of the flow of funds, are almost non-existent; but at least we are beginning to know the questions which must be answered if sound financial management is to be achieved without unnecessary misery. Nasty-lasting medicine is mainly old-fashioned.

Letters to the Editor

The small company

From The Chairman, Silk Engineering (Derby).

Sir—My company employs 12 full-time people, and a varying number of part-timers—some retired (but who want to contribute) and some who find the short working hours of today insufficient for either their energy or their monetary needs. We are struggling to launch, for the first time in many years, an all-new British motor cycle. This will not be an earth-shaking event in volume, since our production plans are strictly limited, but it will be something of a breakthrough in the way of an appalling performance of British industry in fields such as motor cycles, where it once was dominant.

So far, our problems have not been directly affected by governmental actions. If one accepts that unpaid tax-collecting for VAT and PAYE are now facts of life that will never be altered. But the chronic shortage of almost everything we need is presumably due to the general running-down of stocks, and cutting-down of personnel, in order to meet the financial stringencies now being imposed. This is causing more problems than anything else except inflation.

Now, not only are we trying to strike a blow for enterprise and initiative ourselves but many of our components are bought-out from other similar small companies. All these people, like our management, work long hours for small returns, because they enjoy it and because of the freedom. To take two different examples of the benefits we and others like us bring to the population at large the Corina GT, a best seller, came from the Lotus Chaparral, which arose from Colin Chapman doing with care what we are now doing with motor cycles. On a more personal basis how many of us when we want a job done on our house turn to the little man who works for himself? Surely people working for themselves or in small groups showing initiative and energy must be cost-effective and benefit the community. So why are people down on us?

One last point, we have a happy shop; we all talk to each other, we all know how the company is doing and what its aims are; and we all sing at our work together. The noise is indescribable but the spirit is excellent! I get the impression that this is not always the case in the national corporations.

H. S. Cundall.

Hours Head Mill, Darley Abbey, Derby.

Management education

From Mr. G. D. Vaughan.

Sir—Mr. Michael Dixon (June 25) seems to think that all British eggs in higher management education should be put in three baskets. The breakfast would have been enormous if such a decision had been taken in the mid-1960s; they would still be substantial if it were taken now. Even if no other criterion were taken into account than the benefits accruing from diversity and experimentation in a developing subject, a decision to concentrate higher management education into three schools would be lamentable.

Mr. Frost's letter of July 8 argues strongly that the regional management centres and poly-

technics have a substantial part to play in providing higher management education on a part-time basis. I would certainly agree with this. Despite the problems involved in part-time study, it has a major part to play in management education. Institutions like the university management schools in New York run massive part-time programmes, many of a very-high standard. My own institution has been running a part-time stream in its management M.Sc. over the last year and, in October, will be inaugurating an M.Sc. (Finance) on a full-time and part-time basis, designed particularly for staff working in City institutions.

G. D. Vaughan, Senior Tutor, The City University Graduate Business Centre, Lionel Denny House, 23, Goswell Road, E.C.1.

Protect living standards

From Mrs. H. Derrick.

Sir—Trades unions were originally formed by selfless and dedicated men to prevent workers being exploited by employers. Using the strike weapon, the men, at considerable hardship for themselves and their families, were able to obtain improved conditions by hitting the employer where it hurt; in the pocket. Nowadays the really successful strikes are those which hold the community to ransom. The fuel and power workers' strikes and go-slows result in old people suffering from the cold, teachers' strikes only harm the children, transport workers' strikes produce misery for commuters and other strikes (for example bakers') can cause worry and inconvenience to housewives and other susceptible groups. The overall result is a continuity of the living standards of pensioners, workers in small firms, those whose work has no immediate effect on their fellows (vital though it may be to the economy) and unorganised workers. In addition, the value of savings is eroded. If it is right to protect the poor and weak in the fields of education and medicine, why not in that of general living standards? Surely the strike weapon is out of date and those who advocate fairness for all should realise it.

H. M. Derrick, The Change, Rendulick, Stroud.

Architects can cope

From Sir Thomas Bennett.

Sir—Your contributor Mr. Sydney Paulden, under the heading "Can architects cope alone?" (July 7) shows incredible ignorance of the way architects work. It is often forgotten that the architect has a number of sides to his profession and he either confines himself to relatively small works of one category where he learns all the requirements in a lifetime and deals with them on this basis, or alternatively in large practices he takes over different services. Thus the architect has first to absorb the precise requirements of the building to be designed, he then has to try to forecast in his own mind the developments over the next five years, because his building, if large, is unlikely to be brought into use in less than three. He then has to prepare sketch plans which will fulfil all these requirements and discuss the details with the chairman and Board of the company, or

with the committee allotted to deal with the premises, or with the managers on the floor, or with all of them. He then has to produce an elevation to deal with the best method of effecting the price and obtain from his quantity surveyors a specified list of items which can be applied or left out. When one big firm in the City told me that it required the finest office that could be built, I produced a complete sheet of foolscap on which "started" a specified list of items which can be applied or left out. When one big firm in the City told me that it required the finest office that could be built, I produced a complete sheet of foolscap on which "started" a specified list of items which can be applied or left out. When one big firm in the City told me that it required the finest office that could be built, I produced a complete sheet of foolscap on which "started" a specified list of items which can be applied or left out.

The next stage in the proceedings is to decide which mass-produced articles can be made to fall into the design without damaging its general conception. approach those sub-contractors and obtain relative costs. This has to go on through the process of working drawings and at each stage consultation made with structural engineers, heating, mechanical and, if necessary, acoustic engineers to make their contribution. These are then embodied in a set of working drawings and, if the client will allow the time, the drawings are turned into a bill of quantities and the result issued to contractors for tendering. The architect then has to supervise the contract efficiently and deal with the final bill.

It is virtually impossible for any commercial company such as that referred to by Mr. Paulden to have all this type of outlook and ability and so it produces maybe a practical building. I have never known a commercial adviser who goes to the lengths of a good architect to produce a first-class result both from the point of view of public appearance, from the efficiency of the contractor and for the benefit of his client, present and future. This is an aim of perfection. In practical life there are always difficulties and lapses and so it is easy enough to quote examples of the quality of all these requirements have not brought out the first-class results anticipated, but the result would be infinitely worse if the kind of commercial adviser that Mr. Paulden refers to were, in fact, in common use.

Thomas P. Bennett, The Spangmoor, North Road, Highgate Village, N.6.

No bonus element

From The Managing Director, Stock Market Analysts.

Sir—Mr. Goslin's argument (July 5) that he has made a 400 per cent. capital gain out of a rights issue should not be allowed to go uncorrected. On July 10 last year his Plantation shares stood at 49p. For every 1,000 old shares held, therefore, Mr. Goslin's total investment was worth £523 (£490 for the old shares and £33 for the 333 rights at 10p each). On the next day the shares went ex-rights and with the dilution of the equity the price was accordingly adjusted to 39p. Total value of the combined holding (1,333 shares) became £520. No bonus element resulted from this and nor could it. Having taken up his rights, Mr. Goslin owned exactly the same

proportion of Plantation Holdings as he owned before. His share of the additional assets (cash) he had himself financed. Furthermore, any investor could have bought the shares immediately after they had gone ex-rights on July 11 and achieved the same result as Mr. Goslin's further evidence that the rights had no special value whatsoever. To compare in isolation the price of the shares with the cost of the rights and ignore what happens to the original part of the holding is meaningless. Mr. Goslin's 39p gain on the cost of each of his 333 rights (per 1,000) was totally offset by the loss of 10p on each of his 1,000 old shares. In their diluted form, incidentally, the shares are still around only 39p.

These are the mechanics of every rights issue, and it is naive to talk of a capital gain on "rights" when, inevitably, an offsetting factor has been applied to the old shares. A rights bonus is an illusion. It is Mr. Goslin who is playing with words, not Mr. Buckley (June 30).

N. J. E. Young, 58, High Street, Esher, Surrey.

Not an increase all round

From Mr. A. Chancellor.

Sir—Is no one prepared to query the logic of expecting those who earn £5,000 or £10,000, or whatever the figure may be, from receiving a 10 per cent. increase? A lot of them probably get it far more than 40 hours a week and have considerable responsibilities. Give them more financial worries than they already have and their work must suffer, which will eventually be detrimental to everyone. If it's supposedly good psychology then could someone please explain it to a simple person like myself.

A. C. B. Chancellor, Oakfield House, Wargrave, Berkshire.

Transport in London

From The Chairman, Greater London Council Transport Committee.

Sir—The claim by Mr. G. J. A. Stern (July 5) that Greater London Council is pro-motorist is surprising and a view probably not shared by the RAC. The claims that 10 per cent. of commuters who come into central London by car are having their "already comfortable journey made yet better by unbelievably lavish and costly road building schemes." The present GLC scrapped a £20m. motorways programme for London (and in the process saved 10,000 homes from demolition) directly it came to power two years ago. Since then it has urged public transport and discouraging the car commuter. This year the GLC is pumping £30m. into London Transport and at the same time cutting down on the parking places where car commuters leave their cars all day before joining the home-going rush, to the discomfort and inconvenience of buses and other essential road traffic. His references to Archway Road must not go uncontested. The approved Archway Road widening, which is the responsibility of the Department of the Environment, will be two lanes in each direction for the greater part of its length, which would make it approximately

two-thirds the width of Westway and not twice as wide as its states. Moreover, the GLC succeeded in getting the Department of the Environment's original six-lane widening scaled down so that the capacity of the new road would accord with the GLC's traffic policies.

Jim Daly, Room 133c, The County Hall, S.E.1.

Where the onus lies

From Mr. Basil Lindsay-Fynn.

Sir—The Chancellor proposes that the entire responsibility of enforcing his limit should be placed on the employers. No penalties for breaches are apparently to be imposed on employees benefiting. On the other hand, the employer will be forbidden to include any excess of annual pay increases above 10 per cent. per annum in his permissible pay increase. Should an employer therefore be faced with a demand for a higher rate of increase, say 30 per cent., from a militant union, he has the choice of yielding or of facing a strike. In the first case he will almost certainly incur substantial trading losses and in the second he will face even heavier losses through being closed down by the strike. His choice is therefore between becoming insolvent slowly by trading losses or rapidly by being closed down immediately by a strike. Unions are far stronger than individual businesses. Unions support each other. Picket lines are set up which prevent oil, coal and raw materials being delivered or finished goods being shipped to customers. On the other hand, strikers draw PAYE rebates, and their families receive social security funds. Strikers can also take temporary employment and are usually eligible for modest strike pay from their union. The placing of the onus for enforcement on the employer is therefore a recipe for the early bankruptcy of a steadily increasing proportion of the private sector. Surely this cannot be in Mr. Healey's mind? It will rapidly be appreciated by militant unionists who will welcome the opportunity to eliminate a further large section of private enterprise businesses.

B. M. Lindsay-Fynn, 64, Avenue Road, N.W.8.

Dangling a carrot

From Mr. P. Inman.

Sir—David Watt (July 4) calls upon politicians not to demean themselves by putting a low value on their profession, but concedes the outrage, however unjustified, which would follow any reasonable attempt to restore MPs' salaries. Members of Parliament could place a more generous valuation on their services, avoid the charge of feathering their own nests and establish an aid to self-discipline for the future by announcing that their salaries would be raised to (say) £10,000 per annum, not indexed to the RPI or anything else, and payable from the date of the next general election.

They would then have every incentive to support effective and permanent Government measures to combat inflation and to submit themselves for approval to the people having done so.

P. M. Inman, Teddington, Middlesex.

To-day's Events

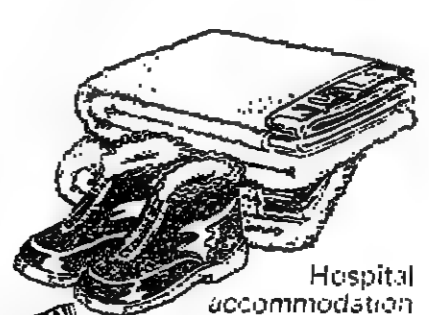
- GENERAL: Cabinet meets to draw up White Paper on anti-inflation proposals. Dr. Henry Kissinger, U.S. Secretary of State, has talks on Middle East situation with Mr. Andrei Gromyko, Soviet Foreign Minister, in Geneva. French franc re-joins joint float operated by certain Common Market and other countries. EEC Finance Ministers meet, Brussels. Queen and Duke of Edinburgh attend banquet given by King of Sweden, Claridges, London.
- National Union of Mineworkers annual conference continues, Scarborough.
- SPORT: Cricket: First Test, England v Australia, Edgbaston.
- PARLIAMENTARY BUSINESS: House of Commons: Debates on Expenditure Committee reports on post-graduate education, education maintenance allowances, and on police recruitment and wastage. House of Lords: Local Land Charges Bill, third reading; Industries Bill, second reading; and Guard Dogs Bill, third reading.
- OFFICIAL STATISTICS: Personal income, expenditure and savings (first quarter).
- COMPANY RESULTS: Andis Industries (full-year). Denbyware (full-year). ERF (Holdings) (full-year). Greene, King and Sons (full-year). Coral (I.I.) Holdings (half-year). Imperial Group (half-year). Macpherson (Donald) Group (half-year).
- COMPANY MEETINGS: See page 19.

Cancer Relief is about living!

Cancer Relief is not concerned with cancer research programmes currently under way. Cancer Relief is about people who would otherwise be experiencing severe hardship right now—today.

Cancer Relief comes in two distinct forms: For many, in-patient treatment is inappropriate (and often unavailable). Unfortunately, a certain proportion—often through loss of earnings—are unable to afford essentials. Some need help to pay for extra heating.

Individual need—and wherever need exists help is never refused.

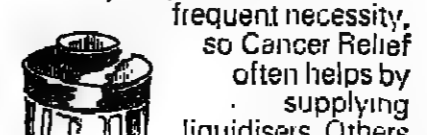


Hospital accommodation for cancer patients is scarce. Which is why Cancer Relief has expanded its activities into a second major

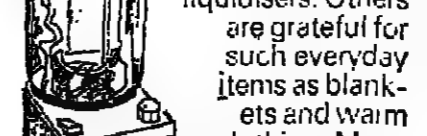
action area—the financing of specialised care units strategically situated throughout Britain. But very many more must still be built.



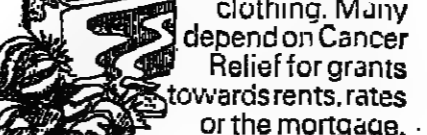
(a lower-than normal body temperature is a frequent side-effect). Liquid food is another frequent necessity, so Cancer Relief often helps by supplying liquidisers. Others are grateful for such everyday items as blankets and warm clothing. Many depend on Cancer Relief for grants towards rents, rates or the mortgage. In all cases, relief is given according to



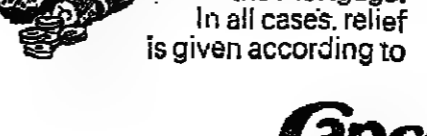
Without Cancer Relief living would be particularly harsh for around 15,000 people every year. Don't forget them. Please.



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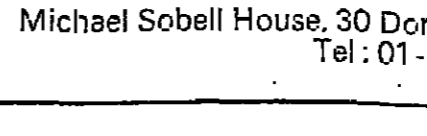
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Cancer RELIEF

Michael Sobell House, 30 Dorset Square, London, NW1 6QL. Tel: 01-402 8125

COMPANY NEWS + COMMENT

Second-half boosts Waddington to £2.4m.

SECOND-HALF profits of John Waddington, the printing, publishing and packaging group, expanded from £389,000 to £912,000, pushing up the total for the year ended March 30, 1975, from £1.94m. to a record £2.42m.

Earnings per share are stated to be up from 18.07p to 21.06p. The dividend is raised from 5.135p to 5.456p net, with a final of 1.446p.

In addition it is proposed to enfranchise the "B" (non-voting) Ordinary shares and to provide compensation to the holders of the "A" Ordinary by a scrip issue of one Ordinary share for every ten "A" held.

	1974-75	1973-74
Group turnover	2,420	2,000
Profit before tax	1,000	700
U.K. taxation	1,000	1,000
Net profit	1,000	1,000
Preference dividends	1,000	1,000
Ordinary	1,000	1,000
Reserves transferred to deferred tax	1,000	1,000

comment

John Waddington has done better in the second half of the year than outsiders expected. The interim statement. Profits over the latter six months rose by 33 per cent. on the corresponding period, for four basic reasons: first, the actual trading experience has been better than hoped for; second, borrowings fell and so therefore did interest charges; third, selling prices were raised; and, finally, the company was taking a conservative view. But certainly the general experience at top level at the beginning of 1975 suggested that Waddington's games side of the business would be holding its own. Currently the order book is reasonable. It is not exactly buoyant, but the share price responded vigorously last night with a 10p jump in the "B" shares to 91p, where the yield is 9.7 per cent. The explanation for this could be the market's belief that a bid is on the way, the enfranchisement of the "B" shares (non-voting) is seen as a defensive move.

Bristol Post down to £1.15m.

AFTER interest charges increased from £70,000 to £85,000, profits of Bristol Evening Post fell from £1.58m. to £1.15m. in the year to March 31, 1975, before tax down from £791,000 to £218,000.

At half-way, reporting a drop in profits from £59,000 to £55,000, the directors warned that second half net profits would be lower than in 1974/75.

A final dividend of 2.97p lifts the net total from 4.43p to 4.72p. After extraordinary credits of £32,000 (£182,000) and minorities of £230,000 (£280,000) the amount retained is reduced from £424,000 to £246,000.

comment

The main problems of the newspaper industry—rising production costs and falling advertising revenue—are well known. But Bristol Evening Post has had the additional burden of moving to larger premises with all that entails—higher overheads, depreciation and so on. So, it is hardly surprising that profits in the second six months dropped by 16 per cent. That the decline came on the newspaper side of the business is confirmed by the fall of a third in minority interests which basically repre-

HIGHLIGHTS

Companies in the timber trade reporting recently have all shown lower profits but the fall at International Timber is far more than the market was expecting and the shares lost 6p on the news. The Lex column discusses the figures and also comments on the latest rights issue which this time comes from the property sector, where Law Land is raising £32m. on a one-for-four basis at 48p a share. Results from Associated Newspapers indicate a better second half than seemed likely at mid-term and the shares rose 9p up last night following the announcement. In the same sector Bristol Evening Post were firmer despite results showing a sharp drop in second-half profits, while John Waddington has produced better-than-expected results which brought a 10p gain in the share price. Good results are reported by engineers Braby Leslie, while Concrete is making a good recovery.

sentis Bristol United Press. The ordinary credit, for which the trading front for the current year is far from good either since the group has had to cope with seven weeks of industrial disputes which have further affected advertising and sales of newspapers. Furthermore, the balance sheet, when published, will show a weaker position since costs associated with the move have soaked up liquid assets. On that basis, the yield of 15 per cent. at 51p is a fair assessment.

Associated Newspapers down £1.1m.

TAXABLE EARNINGS of the Associated Newspapers Group, which takes in the Daily Mail and Evening News, showed a reduction from £9.3m. to £8.2m. for the year ended March 31, 1975, after a fall of £1.1m. to £8.2m. at mid-way. The year trading earnings are down from £8.7m. to £7.3m. The 1973-74 result has been restated to give effect to a prior year adjustment in respect of expenditure on North Sea exploration, reducing the trading figure by £245,000 and the tax charge by £120,000.

After tax and minorities and taking in extraordinary credits up from £1.3m. to £2.43m., the attributable balance emerges at £10m., compared with £8.54m.

Earnings per 25p share are stated at 11.8p compared with 16.3p. The dividend is raised from 4.051p to 4.504p net, with a final of 2.910p.

	1975	1974
Turnover	10,734	9,999
Group profit before tax	1,364	1,364
Tax	1,364	1,364
Minority & pre-accn.	1,364	1,364
Profit after tax	1,364	1,364
Attributable	1,364	1,364
Dividends	1,364	1,364
Retained	1,364	1,364

comment

There are lots of cautious moves at Associated Newspapers, like buying in the loan stock and raising the rate of depreciation, but the group is still operating from a position of strength; cash in the balance sheet is currently £2.8m. after a capital spend of £2.5m. and an outlay of some £0.8m. on the Stanneylands stake and loan stock redemption. This studied approach, however, ties in with a trading situation which has always been high on cash flow and low on earnings growth potential. On this setback has been partly cushioned by the further advance in investment income, where the contribution has more than doubled. Below the line, the main feature is the large extra-

Over £1m. by Braby Leslie

CIVIL AND mechanical engineers, Braby Leslie (formerly Economic Group), reports an advance in turnover for the year to March 31, 1975, for the year to March 31, 1975, and an increase in taxable profits from £58,000 to a record £106,000, after £417,000 against £405,000 for the first half.

	1974-75	1973-74
Turnover	1,241	1,181
Trading profit	1,241	1,181
Interest payable	1,241	1,181
Profit before tax	1,241	1,181
Corporation tax	1,241	1,181
Net profit	1,241	1,181
Deferred tax	1,241	1,181
Extra-ord. credit	1,241	1,181
Attributable	1,241	1,181
Dividends	1,241	1,181
Retained	1,241	1,181

Profits on property sale. Earnings per 10p share are shown to be up from an adjusted 12.3p to 15.0p or from 10.8p to 12.3p fully diluted. The dividend is effectively lifted from 2.519p to the maximum permitted 2.829p net with a final of 2.078p.

Net assets at March 31, are given as 45.5p against an equivalent 31.8p a year earlier.

The directors say the profit was reached despite difficult conditions experienced by certain subsidiaries in the civil engineering division.

comment

Behind Braby Leslie's 27 per cent. rise in full year trading profits—their first since 1971—there is a lot of work to be done. The interim stage—1.53 per cent. improvement in second-half profit margins to 81 per cent., which stems from both higher prices on the mechanical engineering side and the mechanical engineering side. The latter has been well maintained, they add, the improvement in liquidity referred to in the interim statement is continuing.

A dividend of 1.83p makes the 1974/75 year's total a maximum permitted 2.829p net, against the previous single payment of 2.08p.

Profits for the first three months of the current year have been well maintained, they add, the improvement in liquidity referred to in the interim statement is continuing.

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Clyde Paper's £120,832

After a first-half profit of £54,736 compared with a loss of £14,822, Clyde Paper finished the year to March 31, 1975 with a taxable surplus up from £3,448 to £120,832, including profits of £44,000 (loss £6,654) on the sale of surplus assets.

Turnover rose from £18m. to £27.4m. Earnings are shown as 1.94p (nil) per 25p share.

There is no tax charge for the year, but prior year adjustments take £35,153. These include a provision of £25,000 for an uncollected claim in respect of supplies 25p share lifts the total per claim during the company's operation at 3.75p to 4.5p. Also proposed is a three-for-one scrip and subse-

comment

It has taken Concrete about three months to work out its fixed price contracts. Ironically, the group has emerged from our testing involvement with the public sector than possible spending cuts threaten to have the same destructive effect on the group's profit and loss account. This puts the 1974/75 sparkling recovery into some perspective, and even now apparently the order book is "bad". But this time round, Concrete can take evasive action, and a cash upswing into the black with a year of £1.2m. means that internal resources can fund the scheduled plant investment programme—designed to reduce breakeven point to around 50 per cent. while improving flexibility. At 42p, the yield is 1.11 per cent.

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comment

Against the background of the country's present economic conditions and the enormous problems facing industry in general it would be unrealistic to forecast SAYERS' profit performance during 1975/76. As a result of the huge cost increases at the end of 1974 coupled with a disappointing level of sales the parent company suffered a trading loss during the first quarter of the current year. But, since then there has been an improvement in the position. The Annual General Meeting was held on the 9th July 1975.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corr. of spndng div.	Total last year	Total this year
Alliance Alders	0.72	Sept. 17	0.68	1.18	1.00
Anglo-American Secs. Int.	1.1a	Aug. 22	0.7	—	2.15
Associated Leisure	0.92	—	1.07	1.97(b)	2.12
Assoc. Newspapers	2.82	Aug. 12	2.57	—	4.05
Braby Leslie	1.83	Aug. 29	1.83	—	2.62
Concrete	2.97	—	2.83	4.72	4.43
Celestion Industries	0.35	Aug. 9	0.23	0.35	0.33
Concrete	1.88	Aug. 30	2.88	2.88	2.88
Intnl. Timber	2.92	—	2.32	5.17	4.82
Jacksons Bourne	1.54	—	1.84	2.89	2.89
Morgan Edwards	1.37	—	1.31	—	2.75
Progressive Securities	1.37	—	2.5	4.5	4.5
Gen. Salter	1.95	—	1.53	1.53	1.53
John Waddington	4.13	Aug. 16	3.82	5.45	5.13

Dividends shown pence per share net except where otherwise stated.

* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. (a) To reduce disparity. (b) For 44 weeks.

comment

Chairman, Mr. M. Franks says that markets have been depressed since January 1975 and the light of current conditions and the uncertain outlook there is to be no dividend—the last payment was 12 per cent. gross for 1964-65. The Board has also decided to defer payment for reconstruction. Satisfactory terms have been agreed for the sale of the area of Rutherglen land for motorway access.

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ISSUE NEWS

Law Land rights to raise £3½m.

UNDERWRITING is now in progress for the issue of 8,160,630 shares by way of rights in the Law Land Company, at 48p per share. The issue is expected to raise approximately £3.57m. and an extraordinary meeting is called for July 22. The basis of the issue is one for every four Ordinary, 19 for every 240 nominal of Loan stock 1963, and one for every £3 nominal of 7½ per cent. Convertible Unsecured Loan stock 1967.

comment

Law Land's policy continues to be the acquisition of good quality office, shop and industrial property, but to limit the proportion of properties held financed by borrowings. Therefore the company is raising the £3.5m. to take advantage of opportunities in the U.K. and overseas.

With regard to profit for 1973 Law Land forecasts that after tax and minorities the profit will be exceptional items the profit will be similar to last year's figure including a transfer from capital reserves of £310,000 (the same as in 1974).

comment

The Board expects to be able to recommend dividends in respect of the current year totalling 2.317p net per share which with the related tax credit equals 2.55p per share, a rise of 15 per cent. over 1974.

Based on the audited figures to December 1974 and after adding £15m. surplus over book value, the directors propose to pay a dividend of 2.317p net per share in 1975 (127p diluted) before any provision for taxation on the above surplus. After the issue the dividend will rise to 2.55p and 111p respectively.

The issue is being underwritten by Lazard Brothers and Co. and brokers are Laing and Crick-shank.

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Based on the audited figures to December 1974 and after adding £15m. surplus over book value, the directors propose to pay a dividend of 2.317p net per share in 1975 (127p diluted) before any provision for taxation on the above surplus. After the issue the dividend will rise to 2.55p and 111p respectively.

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TEACHER (DISTILLERS) LIMITED

The following are the salient points from the Statement of the Chairman, Mr. Adam K. Bergius, for the year ended 31st January, 1975—

TURNOVER, PROFITS & DIVIDENDS Group turnover, including U.K. Duty, rose from £39.2m. to £43.1m. Profit for the year amounted to £1.81m. before taxation compared with £1.68m. in the previous year and included a profit of £394,300 arising from the sale of surplus whisky stocks. The total Ordinary Dividend was maintained at 8.2154p. per share.

MARKETS Home sales showed a 16% increase in spite of the continuing effects of the bottle shortage and the miners' strike in the early part of the year. Overseas, Export despatches were up 8% with important gains being made in Japan, Canada, France, West Germany and on the African continent.

The U.S.A. market remained soft, the main feature being the swing to "Bottled in U.S.A." brands which is actively encouraged by the U.S. Import Duty discrimination in favour of exports in bulk. In view of the loss to this country in the shipment of bottles and ancillary materials, it is hoped that the Government will support our efforts to correct this anomaly.

GENERAL The restrictions of the Price Code have prevented the industry from securing realistic price increases in the U.K. market. This in turn has delayed a price increase overseas as too great a disparity between Home and Export prices encourages U.K. wholesalers to enter the Export Trade and, with no responsibility for advertising and promotion, enables them to undercut the regular overseas agent, thereby disrupting the orderly handling of these markets.

Rising costs and a high rate of inflation continue the erosion of profit margins and this is greatly exacerbated by the burden of financing the collection of Excise Duty during the normal credit period given to the distributive trade in the U.K. Excise Duty was further increased by 59p. per bottle (64p. including V.A.T.) last April but, in spite of strong representations by the Company to the Chancellor pointing out the damaging effects of there being no Credit period for the payment of Duty, this archaic method of collection still remains.

During the year £1m. was spent on the development of Ardmore Distillery to double capacity and investment in Stocks rose from £10.5m. to £14.0m., of which £11.5m. was accounted for by whisky stocks valued on a replacement basis by two leading whisky brokers at £23.5m.

Gem sales recover

Coal miners join the 5-day week dispute

A MUCH better-than-expected figure of R355.1m. is announced for sales of gem and industrial diamonds by De Beers Central Selling Organisation for the first half of this year. Although well down on the R355.5m. level of this time a year ago, it shows a 13.2 per cent. improvement on the R315.6m. sales made in the second half of 1974.

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	Six month to		Year's Total
	June Rev.	Dec. Rev.	
1973	753.1	—	—
1974	113.5	518.5	632.1
1975	478.7	441.9	920.6
1976	235.4	75.1	310.5
1977	229.1	125.2	446.4
1978	200.7	177.7	378.4
1979	200.1	224.6	424.7
1980	262.3	27.8	290.1
1981	193.8	173.8	367.6

In January this year the CSO raised prices of the small rough gems by up to 10 per cent, but this will have had an overall effect on the latest sales figure of only 1.55 per cent. The better performance thus reflects a genuine increase in demand, notably for the small diamonds; as Mr. Oppenheimer pointed out in April, demand has lessened in the case of the larger gems although this was "not a cause for anxiety in the long term."

At least the outlook seems more hopeful than it was earlier and as a result of CSO marketing policies, the major diamond cutting centres are now in a good position to take advantage of an upturn in demand for polished stones. De Beers closed 40% of its 1988 production in the first three months, the latest figures not being known in market circles.

S. AFRICAN GOLD

JOB GROUP

TESTED

ing will be held in Paisley on
an's Statement and Accounts
points are:

	Year ended 31st March 1975	1974
..	£T.295.990	£9.416.044
..	£260.781	£569.336
..	£114.366	£258.567

..	—	\$30,841
..	12.4p	39.1p
..	\$84,806	\$88,260
..	\$29,560	\$139,596

present recession. Lower profits by earnings of recent diversification remain difficult for Proteins

Marine and Animal Oil Refiners
Producers of Protein Meals.

10

[illegible]

GG & CO. LIMITED
ENGESSELLSCHAFT
XEMBOURGEOISE
 of The Stock Exchange
 such payment being due

Local Services Limited and
days (excepted) up to and

Year	Number of individuals (approx.)
1960	10,000
1961	15,000
1962	20,000
1963	15,000
1964	10,000
1965	20,000
1966	15,000
1967	10,000
1968	15,000
1969	10,000
1970	15,000
1971	10,000
1972	15,000
1973	10,000
1974	15,000
1975	10,000
1976	15,000
1977	10,000
1978	15,000
1979	10,000
1980	15,000
1981	10,000
1982	15,000
1983	10,000
1984	15,000
1985	10,000
1986	15,000
1987	10,000
1988	15,000
1989	10,000
1990	15,000

This document contains particulars given in compliance with the Regulations of the Council of The Stock Exchange for the purpose of giving information to the public with regard to Hoechst Finance Limited and Hoechst Aktiengesellschaft ("Hoechst"). The Directors of Hoechst Finance Limited and the members of the Board of Management of Hoechst collectively and individually accept full responsibility for the accuracy of the information given with regard to their respective companies and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading. A copy of this document having attached thereto the documents specified herein has been delivered to the Registrar of Companies for registration.

PLACING of £15,000,000

10 PER CENT. GUARANTEED UNSECURED LOAN STOCK 1990

(with rights to subscribe shares of Hoechst)



HOECHST FINANCE LIMITED

(incorporated in England under the Companies Acts 1948 to 1967)

The stock is unconditionally guaranteed as to payment of principal and interest by

HOECHST AKTIENGESSELLSCHAFT

(incorporated under the laws of the Federal Republic of Germany)

ISSUE PRICE £100 PER CENT, payable as to £50 per cent. on acceptance and £50 per cent. on 30th September, 1975

Each £100 nominal of Stock will carry, upon becoming fully paid, the right to subscribe between 2nd January, 1976 and 30th June, 1990 (with the exception of the period between 15th December and 31st December in any year) 5 shares of DM 50 nominal value each of Hoechst at the price (variable in certain events) of DM 132.50 per share.

Subject to the relevant exchange control procedures, holders of the Stock may at any time after 30th November, 1975 apply for separately transferable bearer Warrants evidencing the right to subscribe shares which, at the time of

application, is carried by Stock held by them. Upon the issue of such bearer Warrants the right to subscribe shares shall cease to attach to the Stock in respect of which Warrants are issued and shall thereafter be exclusively evidenced by the Warrants.

Holders of the Stock will be entitled between 1st July, 1985 and 30th June, 1990 to tender, to the London Warrant Agent, Stock of which they are the registered holders in or towards satisfaction of the amount otherwise due on exercise of the right to subscribe shares attached to Stock or evidenced by

Warrants. On being tendered Stock will be accepted at par and converted into DM at the then current rate of exchange.

Application has been made to the Council of The Stock Exchange for the Stock, and for the Warrants as and when issued, to be admitted to the Official List. Application will also be made to the Frankfurt Stock Exchange for a listing for the Warrants as soon as possible after the issue of the Stock. In accordance with the requirements of the Council of The Stock Exchange £1,500,000 of the Stock will be available in the Market on Thursday 10th July, 1975.

S. G. Warburg & Co. Ltd.

J. Henry Schroder Wagg & Co. Limited

and

Dresdner Bank Aktiengesellschaft

have agreed to place the Stock

STOCKBROKERS IN THE UNITED KINGDOM

PANMURE GORDON & CO.
8 Moorfields Highwalk, London EC2Y 9DS and The Stock Exchange
W. GREENWELL & CO.
Bow Bells House, Broad Street, London EC4M 9EL and The Stock Exchange

TRUSTEES FOR THE HOLDERS OF THE STOCK

ALLIANCE ASSURANCE COMPANY LIMITED,
1 Bartholomew Lane, London EC2N 2AB

LEGAL ADVISERS

To Hoechst Finance Limited and Hoechst
in the United Kingdom
SLAUGHTER AND MAY,
35 Basinghall Street, London EC2V 5DB

To the Managers and the Trustees

LINKLATER & PAINES,
Barrington House, 59/67 Gresham Street, London EC2V 7JA
BOESEBECK, BARZ & PARTNER,
6 Frankfurt (Main) 70, Bismarckstrasse 44, Federal Republic of Germany

AUDITORS

To Hoechst Finance Limited
COOPERS & LYBRAND, Chartered Accountants
Abacus House, Gutter Lane, London EC2V 8AH

To Hoechst

TREUHAND-VEREINIGUNG AKTIENGESSELLSCHAFT
WIRTSCHAFTSPRÜFUNGSGESELLSCHAFT UND
STEUERBERATUNGSGESELLSCHAFT,
6 Frankfurt (Main) 1, Wöhlstrasse 6-10, Federal Republic of Germany

RECEIVING BANKERS

S. G. WARBURG & CO. LTD.,
30 Gresham Street, London EC2P 2EB

REGISTRARS FOR THE STOCK

WARBURG REGISTRARS LTD.,
Bourne House, 34 Beckenham Road, Beckenham, Kent BR3 4TU

WARRANT AGENTS

In London
S. G. WARBURG & CO. LTD.,
30 Gresham Street, London EC2P 2EB

In Frankfurt (Main)

DRESDNER BANK AKTIENGESSELLSCHAFT,
6 Frankfurt (Main) 1, Gallusanlage 7, Federal Republic of Germany

THE HOECHST GROUP IN THE UNITED KINGDOM

Substantially the whole of the business of the Hoechst Group in the United Kingdom is carried on by Hoechst's wholly owned subsidiary, Hoechst U.K. Limited ("Hoechst UK"), and its subsidiaries. In 1974 the consolidated turnover of Hoechst UK and its subsidiaries amounted to £181 million.

Berger Jenson & Nicholson Limited ("Berger") is the principal subsidiary of Hoechst UK. The Berger Group manufactures and distributes throughout the world paints and other surface coatings for the building, motor and other industries, and for marine purposes. Its products include special lacquers, synthetic resins, wallpaper and elastomers.

Kalle Interox Limited, which markets office information processing equipment throughout the United Kingdom, is also a subsidiary of Hoechst UK.

In addition, Hoechst UK sells chemicals, plastics, synthetic fibres, pharmaceuticals, dyestuffs and agricultural products, almost all of which are manufactured by companies within the Hoechst Group, and processes synthetic yarns. Research into diagnostic methods and the metabolism of pharmaceuticals is carried out at the research laboratory at Milton Keynes which was commissioned in 1974 at a cost of approximately £2 million.

Hoechst Fibre Industries U.K. Limited, which is a direct subsidiary of Hoechst, produces Trevira filament yarn and monofilaments at Limerick in Northern Ireland.

The proceeds of the issue of the Stock, which after deduction of expenses are estimated to amount to £14,715,000, will be made available to the Hoechst Group in the United Kingdom and will be applied in reducing bank and other indebtedness and in the expansion of the Group's business in the United Kingdom.

HOECHST AKTIENGESSELLSCHAFT

Hoechst Aktiengesellschaft ("Hoechst") was incorporated in Germany on 7th December, 1961 as one of the three principal successor companies of I. G. Farbenindustrie AG ("I. G. Farben"). With effect from 1st January, 1962, Hoechst acquired I. G. Farben's undertakings at Hoechst, Griesheim and Offenbach in Hessen and at Gersthofen in Bavaria and at the same time the whole of the issued share capital of I. G. Farben's wholly-owned subsidiaries, Knapsack-Griesheim AG, Kalle & Co. AG, Behringwerke AG and Boehringer AG für Textil-Faser.

The enterprise at Hoechst was founded in 1863 under the name Meister, Lucius & Co. In 1880 it was incorporated as a limited company which in 1925, together with five other chemical manufacturers, merged into I. G. Farben.

In 1974 Hoechst and the enterprises in which it has a direct or indirect holding of at least 50 per cent. ("the Group") achieved sales of DM20,201 million (£3,865 million at DM£24=£1) and profits before taxes on income and property (consolidated on the basis of German accounting principles) of DM1,781 million (£334 million at the same rate). The published earnings for 1974, as prepared by Hoechst (in accordance with the method adopted by the German Association for Financial Analysis and Investment Consultancy), amounted to DM24.08 per share of DM50 nominal value.

In 1974 37 per cent. of Group sales were made in Germany and 63 per cent. abroad. Hoechst has subsidiaries and affiliates in some 120 countries and 28 per cent. of Group sales in 1974 were accounted for by goods produced outside Germany.

At 31st December, 1974 the total number of employees in the Group was 178,710 of whom 71,920 were employed outside Germany.

OPERATING DIVISIONS

The activities of the Group are organised in divisions, the sales of which for the years ended 31st December, 1973 and 1974 were as follows:-

Division	1973 DM m	%	1974 DM m	%
Inorganic Chemicals	1,089	7	1,466	7
Organic Chemicals	750	5	1,191	6
Agricultural Chemicals	875	4	1,158	5
Dyes and Pigments	980	7	1,089	5
Surfactants and Auxiliaries	527	3	722	4
Fibres	1,850	13	2,170	11
Synthetic Resins and Plastics	1,955	13	2,588	13
Plastics and Waxes	1,270	8	1,803	9
Film and Sheeting	695	5	839	4
Reprography	375	2	471	2
Pharmaceuticals	1,841	13	3,105	15
Plant Construction	255	2	440	2
Welding Technology and Industrial Gases	589	4	890	4
Miscellaneous	1,374	13	2,468	12
	14,750	100	20,201	100

Group sales, which in 1974 include for the first time the sales of the Roussel Uclaf Group amounting to the equivalent of DM1,258 million, have been stated after deducting allowances and are made up of about 30,000 products. The figures do not include value-added tax and inter-company sales. Sales by Group companies outside Germany have been converted in DM at average annual conversion rates.

Inorganic Chemicals (7 per cent. of 1974 sales)
This division manufactures sulphuric acid and sulphuric acid derivatives, chlorine, caustic soda, phosphorus-based products (which are used mainly for detergents), calcium carbide, metallurgical auxiliaries, refrigerants, aerosol propellants, blowing agents for plastic foams, chlorinated methane products, fire extinguishing agents, metal adjuvants, acid-proof construction material, radioactive materials, photographic chemicals, raw materials for batteries, graphite and special carbon products for the iron and steel, chemical and other industries.

Organic Chemicals (6 per cent. of 1974 sales)
The total production of this division is almost twice as great as its contribution to Group sales since about one-half of production is used in other divisions of Hoechst. The division manufactures aliphatic products—monomers, aldehydes, acids, chloroacetic acids, ethylene oxide, glycols, polyglycols, solvents, oxo products, plasticizers, chlorinated paraffins, catalysts, food preservatives and aromatic intermediates—especially for the manufacture of dyestuffs, pigments, pharmaceuticals and pesticides.

Agricultural Chemicals (5 per cent. of 1974 sales)
This division produces fertilizers, crop protection chemicals and additives for animal feedstuffs.

Dyes and Pigments (5 per cent. of 1974 sales)
This division manufactures and sells ranges of products for dyeing and printing cotton, wool and synthetic fibre materials. 78.5 per cent. of its production is sold outside Germany. Organic pigments are sold mainly to the printing inks, paint and plastics industries.

Surfactants and Auxiliaries (4 per cent. of 1974 sales)
The products of this division are used mainly by the detergents, textile and leather industries as well as for the manufacture of building materials, paints and varnishes. This division also manufactures emulsifiers, base products for cosmetics, cellulose ethers, anti-corrosives, auxiliaries for the petroleum industry and flotation agents.

Fibres (11 per cent. of 1974 sales)
This division manufactures polyester, polyacrylic, polyamide, and cellulose fibres. Hoechst is the largest producer of polyester filament yarns and fibres in Europe. Trevira, Hoechst's principal polyester product is used for the manufacture of clothing and for many industrial purposes. In the field of soft furnishings, a Dolan acrylic fibre is an important product, while a Perlon polyamide filament is manufactured mainly for the carpet industry. Nearly one-third of the Group's total fibre production is manufactured outside Germany.

Synthetic Resins and Plastics (13 per cent. of 1974 sales)

This division produces polymer dispersions and synthetic resins such as epoxy, ethylid, phenolic, unsaturated polyester and short-cycle melamine resins for the production of laminates, colophony resins for printing inks and water-soluble resins for metal coatings. A wide selection of coating materials is produced by the Berger Group and other companies such as Dr. Kurt Herberts & Co. GmbH and Spies, Hecker GmbH in Germany and Stoilack AG in Austria. The products of these companies include surface finishing materials, varnishes, household paints and industrial paints.

Plastics and Waxes (9 per cent. of 1974 sales)

Hoechst is the world's largest manufacturer of high density polyethylene which is sold under the trademark of Hoechst. Other products include low density polyethylene, polypropylene, polyvinyl chloride, polystyrene, polyacetal, polyester, thermosetting moulding compounds, and a variety of waxes. Film and Sheeting (4 per cent. of 1974 sales)

A wide range of non-photographic film, sheeting and cellulose sponge products for industrial as well as household use is manufactured by this division under the trade mark, Kalle.

Reprography (3 per cent. of 1974 sales)
Under the trade mark Kalle this division manufactures a complete range of reprography equipment including disc paper, microfilms and printing plates. In addition, the division range of office reprography equipment, current copiers, the 1000 office copying machine, the 3100 office copying machine and the 4100 office copying machine.

Pharmaceuticals (15 per cent. of 1974 sales)
The ranges of Hoechst, Behring, Albert and Casmella-Riedel Pharma comprise about 300 pharmaceutical specialities which are marketed throughout the world. Important areas of activity include antibiotics, cardiac and circulatory drugs, endocrinological, anaesthetics and synthetic hormones. In addition Behringwerke AG, a subsidiary of Hoechst, markets a range of about 650 diagnostic agents and reagents which play an important part in preventive medicine and early diagnosis. In 1968 Hoechst concluded technical and financial agreements with the French pharmaceutical company, Roussel Uclaf S.A., in which Hoechst has had an indirect majority holding since early in 1974.

Plant Construction (2 per cent. of 1974 sales)
Friedrich Ulde GmbH, which became a wholly owned subsidiary of the Group in January, 1975, plans and constructs plants for the chemical and chemical related industries in Germany and abroad.

Welding Technology and Industrial Gases (4 per cent. of 1974 sales)
Weaver Griesheim GmbH, a subsidiary of Hoechst, produces and markets a wide selection of gases and related products, current copiers, the 1000 office copying machine, the 3100 office copying machine and the 4100 office copying machine. This company also produces and supplies a range of cutting and welding machines.

Miscellaneous (12 per cent. of 1974 sales)
Included within this category are Wecker-Chemie GmbH, Signi Elektrographit GmbH, Süddeutsche Kalksteinstoff-Werke AG, Benckiser-Knapsack GmbH, all companies in which Hoechst has a 50 per cent. interest.

Marbet GmbH and Curta & Co. GmbH, which are subsidiaries of Hoechst, produce a comprehensive range of cosmetics. Hans Schwarzkopf GmbH, an important company in the cosmetics field, in which Hoechst has a 48 per cent. interest, is not consolidated.

GEOGRAPHICAL ANALYSIS OF SALES

	1973 Sales DM m	%	1974 Sales DM m	%
Germany	6,125	42	7,400	37
Other EEC countries	2,670	18	4,380	22
Other Western European countries	1,552	10	2,141	10
Eastern Europe	448	3	732	3
Total Europe	10,822	73	14,653	72
North America	1,082	7	1,307	7
Latin America	850	6	1,337	7
Africa	582	4	1,078	5
Asia	1,015	7	1,238	6
Australasia	378	3	540	3
	14,750	100	20,201	100

MANAGEMENT
Board of Management

Dr. rer. nat. Rolf Sammet, Chairman
Kurt Lanz, Deputy Chairman
Dr. phil. Rudolf Frank
Dr. jur. Emiguo Hartung
Willi Hoekens
Dr. rer. nat. Josef Max Nowotny
Dr. med. Dipl.-Chem. Wolfgang von Pölnitz

The members of the Board of Management, who are whole-time officers of Hoechst and are by law responsible for its administration and management, are appointed by the Supervisory Board which determines their remuneration.

Supervisory Board
Prof. Dr.-Ing. Dr. h. c. Karl Winnacker, Chairman
Dr. rer. pol. Hermann Richter,
Deputy Chairman
Dr. jur. Dipl.-Ing. Felix Preussel,
Deputy Chairman
Georg Badack
Oswald Bommel
Rolf Brandt
Friedrich H. Brandt

Under the Articles of Association of Hoechst the Supervisory Board consists of at least six and not more than fifteen members. The number of members must be divisible by three. By law two-thirds of its members are elected by the shareholders in general meeting and the remaining one-third by the employees of Hoechst and its consolidated German subsidiaries.

RESEARCH AND DEVELOPMENT
A substantial part of the Group's 1974 sales comprises products which have been introduced to the market by the Group within the last ten years. In 1974 nearly DM800 million was spent on research, development and experimental technology. Basic and product research is concentrated in the parent company at Frankfurt (Main) in one of the largest and most modern research centres in Europe. There are other research laboratories in the United States, India, the United Kingdom, Japan, Egypt and Austria and almost 14,000 persons are employed worldwide in research and development. At present Hoechst owns more than 33,000 patents throughout the world and in 1974 alone applied for over 7,700 new patents.

THE CURRENT YEAR AND OUTLOOK
Following the marked decline during the last months of 1974, there was no increase in demand for chemical products in the first quarter of 1975. Sales in Germany fell from DM1,850 million in the first quarter of 1974 to DM1,770 million in the first quarter of 1975; for the same period turnover abroad increased from DM2,530 million to DM3,010 million. Although group sales totalled the same for the first quarters of 1974 and 1975 at DM4,780 million, this represents a decrease of 5 per cent. when compared with the average quarterly sales figure of the group for 1974 of DM5,050 million.

Profits before tax of Hoechst itself for the first quarter of 1975 amounted to DM180 million, a decrease of 24.4 per cent. compared with the average quarterly figure for 1974. Demand for chemical products is not expected to recover before the Autumn of 1975.

Hoechst remains confident about the long-term development of the chemical industry which it expects will enjoy a higher rate of growth than other industries. Hoechst will be able to participate in such growth through the potential of its research, its broad range of products, and its world-wide sales organisation.

FINANCIAL INFORMATION ON THE GROUP

Summarised Group Profit and Loss Accounts 1970-1974 (based on the English language version of the published accounts of Hoechst).

	1970 DM m	1971 DM m	1972 DM m	1973 DM m	1974 DM m
Group Sales (external) (Note 2)	10,862	11,848	12,784	14,780	20,201
Gross Profit	6,642	7,321	7,817	8,183	12,290
Other Income	341	328	308	406	520
Total Income	6,983	7,647	8,225	8,589	12,810
Personnel expenses (Note 3)	2,658	3,222	3,537	4,028	5,330
Depreciation (Note 4)	390	1,084	1,188	1,284	1,437
Interest expenses	400	513	510	553	713
Taxes on income and property	453	439	577	772	1,110
Other expenses (Notes 1 and 5)	1,964	2,069	2,076	2,420	3,579
Total Expenses	5,565	7,327	7,898	9,068	12,169
Net earnings before deducting minority interests	418	320	337	520	641
Minority interests	(31)	(28)	(18)	(60)	(111)
Net Earnings attributable to Hoechst	387	292	318	460	530
Dividends	(296)	(222)	(228)	(266)	(290)
Retained Earnings	91	70	90	194	240

Group Balance Sheet at 31st December, 1974 (taken from the English language version of the published accounts of Hoechst)

	DM m	DM m
Fixed Assets (note 6)		
Land and buildings	2,968	
Machinery and plant	3,103	
Factory and office equipment	328	
Buildings and plant under construction and advances payments	72	
Intangible assets	28	
		7,162
Financial Assets		
Investments in affiliated companies and trade investments (note 7)	573	
Loans and investments (note 8)	194	
Adjustment due to consolidation	281	
		1,048
Current Assets		
Inventories (note 9)	4,764	
Accounts receivable—trade	3,414	
—other	988	
Bills receivable	407	
Cash at banks and marketable securities	1,021	
		10,604
Less Current Liabilities (note 10)		
Bank advances (note 11)	2,096	
Accounts payable (trade)	1,651	
Other liabilities and provisions	2,667	
Current portion of long term debt (note 11)	2,067	
Proposed dividend of Hoechst	29	
		8,881
Net Current Assets		1,943
Less Long Term Liabilities		
Bank advances (note 11)	2,164	
Bonds and debentures (note 11)	1,133	
Other loans (note 11)	850	
Provision for pensions	941	
Special items including reserves under certain tax laws	359	
		5,447
Minority Interests		628
		6,075
Net Assets		4,047
Represented by:-		
Share capital	1,809	
Reserves	2,438	
		4,047
Balance Sheet Notes		
Equalization of Burdens Property Levy		
Present value	57	
Quarterly instalments	4	
Contingent liabilities resulting from the issue and transfer of bills	244	
Guarantees	85	

Auditors' Report published in the English language version of the published accounts of Hoechst

We have examined the Annual Statements of Accounts and Annual Report of Hoechst AG and Consolidated German Companies for 1974 and have issued an unqualified opinion thereon. These consolidated statements account for approximately 95 per cent of the balance sheet total of the Hoechst Group as at 31st December, 1974 and for approximately 98 per cent of the Group's turnover for 1974.

The financial statements of the other companies included in the Hoechst Group Annual Statements of Accounts, in so far as material in relation to a fair presentation of the Group's net assets and earnings position, have been audited by other German and foreign auditors.

In our opinion the Group Accounts as at 31st December, 1974 have been properly prepared on the basis of the various individual accounts in accordance with the commentary and consolidation principles explained in the Annual Report.

Frankfurt (M), 18th April 1975
Treuhand-Vereinigung Aktiengesellschaft
Wirtschaftsprüfungsgesellschaft und Steuerberatungsgesellschaft
Dr. Kroneberger, Wirtschaftsprüfer Dr. Uhlig, Wirtschaftsprüfer

Notes to Financial Information

1. **Accounting Policies**
The Group accounts include the consolidation of Hoechst and all the companies in Germany and abroad in which Hoechst has a direct or indirect holding of at least 50 per cent, except companies which are of no importance for a fair presentation of the accounts of the Group. The 1974 consolidation includes the Roussel Uclaf Group for the first time.

The Group accounts have been drawn up in accordance with the consolidation regulations of German company law. Non-consolidated subsidiaries and companies in which the Group has an interest of less than 50 per cent have not been included on an equity basis in either the Group profit and loss account or balance sheet.

Where exchange rates between DM and other currencies have varied during the year, expenses and revenues of the foreign subsidiaries in the Group profit and loss accounts have been expressed at the annual average rates of exchange; the differences arising from applying such rates of exchange have been included under "Other Expenses".

The balance sheets of foreign subsidiaries have been converted into DM at the exchange rate ruling at the balance sheet date.

2. Group Sales (external)

Group sales are shown after deducting allowances and before value added tax.

3. Personnel Expenses

Included under the heading "Personnel expenses" are amounts in respect of allocations to pension funds for employees as follows:

1970	1971	1972	1973	1974
DM m	DM m	DM m	DM m	DM m
32	42	103	86	243

4. Depreciation

Included under the heading "Depreciation" are amounts set aside for special depreciation of tangible and intangible fixed assets, depreciation of financial assets, receivables and marketable securities and losses on disposals of fixed assets as follows:

1970	1971	1972	1973	1974
DM m	DM m	DM m	DM m	DM m
121	198	191	211	324

5. Other Expenses

Included under the heading "Other expenses" are reserves for price increases. In 1973 and 1974, the only years in which such reserves were made, the total set aside was DM 59 million and DM 233 million respectively.

6. Fixed Assets

Fixed assets at 31st December, 1974 are in principle stated at cost, less accumulated depreciation or accumulated allowances for tax purposes where taxation legislation so requires. As far as local legislation requires the writing-up of fixed assets is carried out, particularly in Latin America.

7. Investments in Affiliated Companies and Trade Investments

Investments in affiliated companies and trade investments (being non-consolidated subsidiaries and companies in which the Group has an interest of less than 50 per cent) at 31st December, 1974 are stated at cost or, where the current value is less than cost, at this lower value.

8. Loans and Investments

Loans and investments at 31st December, 1974 were as follows:

	DM m
Stocks, bonds and other securities	13
Long-term loans	181
	194

9. Inventories

Inventories at 31st December, 1974 are stated at the lower of cost and market value.

10. Current Liabilities

In accordance with the regulations of German company law, liabilities are deemed to be current if they mature within a period of less than four years.

11. Bank Advances, Bonds and Debentures and Other Loans

Short term bank advances total DM 2,098 million of which DM 112 million is secured. Long term bank advances, bonds and debentures and other loans are due for repayment as follows:

	Bank advances	Bonds and debentures	Other loans	Total
	DM m	DM m	DM m	DM m
In 1975	238	98	44	378
1976	318	123	48	489
1977	387	56	55	498
1978	607	52	53	712

Current portion of long term debt	1,530	327	200	2,057
In subsequent years	2,164	1,193	850	4,147
	3,694	1,480	1,050	6,204
Of which secured	1,603	353	411	2,367

DM 560 million of 6 1/2 per cent. Convertible Bonds are included in the total of unsecured bonds and debentures.

The rates of interest applicable to the bonds and debentures of the Group at 31st December, 1974 were as follows: DM 560 million, at 6 1/2 per cent; DM 108 million, at 5 per cent; DM 7 million, at 8 1/2 per cent; DM 95 million, at 6 per cent; DM 223 million, at 6 1/2 per cent; DM 563 million, at 8 1/2 per cent; DM 30 million, at 7 per cent; DM 11 million, at 7 1/2 per cent; DM 3 million, at 7 1/2 per cent; DM 11 million, at 8 1/2 per cent; DM 58 million, at 8 1/2 per cent; DM 150 million, at 8 1/2 per cent; DM 93 million, at 10 per cent; DM 33 million and at 12 per cent; DM 11 million.

Save as disclosed herein, there has been no material change in the outstanding indebtedness, other than short-term bank advances, since 31st December, 1974.

12. **Changes in Capital since 31st December, 1974**
January, 1975: Hoechst issued by way of rights DM 300 million 8 1/2 per cent convertible bonds at par to the shareholders and holders of the previous issues of convertible bonds. Details of the conversion terms of this issue are set out below.

In May, 1975 Hoechst issued by way of rights on a new share of DM 50 for every existing twelve shares at DM 90 per share to shareholders and new shares, on an equivalent basis, to holders of the convertible bonds. DM 162,900,000 nominal of capital was issued which raised approximately DM 293 million.

GROUP EARNINGS PER SHARE 1970-1974

The published earnings per share of DM 50 nominal value after taxation of the Hoechst Group during the years 1970 to 1974 as prepared by Hoechst (in accordance with the method adopted by the German Association for Financial Analysis and Investment Consultancy) are as follows:

	1970	1971	1972	1973	1974
DM	DM	DM	DM	DM	DM
14.10	13.19	14.75	20.00	24.08	

MARKET PRICES OF SHARES OF HOECHST

The following table shows the high and low prices of the shares of DM 50 nominal value of Hoechst on the Frankfurt Stock Exchange between 1st January, 1971 and 30th June, 1975 (based on the prices shown by *Hauptkurse Börsenführer* and adjusted as appropriate to reflect alterations in the capital of Hoechst):

	1971	1972	1973	1974	1975 to 30th June
DM	DM	DM	DM	DM	DM
high	191	170	180	121	144
low	116	138	101	102	110

The official price (*Einheitskurs*) on the Frankfurt Stock Exchange on 4th July, 1975 (the latest practicable date before printing this prospectus) was DM 124.60.

SHARE CAPITAL OF HOECHST

Issued, Authorized and Conditional Share Capital
The share capital, authorized and conditional share capital, is divided into shares of DM 50, DM 100, DM 200, DM 500 and DM 1,000 nominal value. The shares are in bearer form and are listed on the following stock exchanges:

Frankfurt (Main), Berlin, Bremen, Düsseldorf, Hamburg, Hannover, Munich, Stuttgart, Amsterdam, Antwerp, Basel, Brussels, Geneva, London, Paris, Vienna and Zürich.

The shares of Hoechst have been listed on The Stock Exchange since 1901. S. G. Warburg & Co. Ltd. as Depository have in issue certificates in units of DM 5 nominal value representing equivalent nominal amounts of shares of Hoechst deposited with it. These certificates are in bearer form and are in denominations of 1, 10, 50 and 100 such units each.

The Board of Management has authority (a) until 10th June, 1980 to issue, subject to the consent of the Supervisory Board, up to DM 180,000,000 nominal of share capital on such terms as the Board of Management may determine and in addition (b) until 8th July, 1979 to issue, on the same basis, up to DM 28,000,000 nominal of share capital.

Hoechst's capital has been conditionally increased by:
(i) DM 24,488,100 in respect of the conversion rights of holders of 8 1/2 per cent convertible bonds of 1967;
(ii) DM 163,292,050 in respect of the conversion rights of holders of 8 1/2 per cent convertible bonds of 1970;
(iii) DM 150,000,000 in respect of the conversion rights of holders of 8 1/2 per cent convertible bonds of 1975;
(iv) DM 37,500,000 in respect of the rights of subscription carried by this issue.

Each DM 50 nominal amount of share capital carries the right to one vote at a General Meeting. Dividends

The profits available for dividend, as shown by the Annual Accounts, after charging depreciation and amortisation in value of additions and reserves, have to be distributed to shareholders in proportion to the number of shares held by them in the Annual General Meeting otherwise resolved.

The following table shows the dividend per share of DM 50 nominal value declared and the cost of dividends paid in respect of the years 1970 to 1974.

	1970	1971	1972	1973	1974
Dividend per share (DM)	10.00	7.50	7.50	8.50	9.00
Cost of dividends (DM)	298	222	228	285	290

Creation of Capital

The German law applicable to Hoechst (the Aktiengesetz of 1965) provides that the issue of shares requires a resolution of shareholders. The shareholders may by resolution delegate the authority to issue additional shares up to a certain nominal amount to the Board of Management. If the Board of Management is so authorised, such authority cannot be valid for a period in excess of five years and may not be exercised except with the consent of the Supervisory Board. In addition, shareholders are entitled to have new shares, and securities carrying the right to subscribe or to be converted into shares, offered to them by way of rights, by resolution of the shareholders in specific terms, such entitlement has been waived. Such waiver in respect of the Stock and the subscription rights attached thereto by resolutions of the shareholders of Hoechst passed on 11th June, 1975.

Where subscription or conversion rights are granted in respect of debt securities, a company may also create in advance, with the authority of a General Meeting, a fixed amount of additional capital ("conditional capital") to be available for the purpose of satisfying such rights, and no time limit applies to such authority. The above-mentioned resolution of 11th June, 1975 created the necessary conditional capital to cover the initial subscription rights carried by the Stock.

In the event of a capitalisation issue, the conditional capital is automatically increased to an amount sufficient to provide for the appropriate adjustment of the subscription or conversion rights. It is not permissible under German law for profits or reserves to be capitalised other than in the form of shares. Capitalisation of profits or reserves in the form of preference shares or similar securities is unknown in German practice.

APPENDICES

PART I

PARTICULARS OF THE CIRCUMSTANCES IN WHICH THE

STOCK WAS ISSUED

CARRYING UPON THE STOCK THE RIGHT TO SUBSCRIBE

SHARES OF DM 50 NOMINAL VALUE

OF HOECHST

HOLDERS OF THE STOCK

WHO ARE ENTITLED TO SUBSCRIBE

SHARES OF DM 50 NOMINAL VALUE

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PART II

PARTICULARS OF THE RIGHT TO SUBSCRIBE

SHARES OF DM 50 NOMINAL VALUE

OF HOECHST

HOLDERS OF THE STOCK

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Rights Issues

Unlike capitalisation issues, German law does not provide for conditional capital to be automatically increased in the event of a rights issue. A further resolution of the shareholders is therefore necessary to increase the share capital by the issue of new shares. The rights issue is a rights issue (see Appendix I, Part II, paragraph 3). Similar considerations apply to all the outstanding convertible bond issues of Hoechst.

ACCOUNTANCY APPOINTMENTS

ENMA

Investigations/ Chief Accountant Recently Qualified

London N1 To £5,000

Currently turning over £5 million and growing 75% plus per annum, our client provides services to the North Sea oil exploration industry.

Reporting to the Financial Controller, the Chief Accountant will supervise the reporting of the five branches, and control the small Head Office accounts function. He will investigate problem areas, both at Head Office and at operating locations, recommending and implementing improvements to systems and methods as necessary.

Following a successful six to 12 months in this demanding position, the Chief Accountant could expect to benefit from a prospective reorganisation. Aged 23-28, applicants may have industrial or professional experience. Please telephone or write to Graham Webster, A.C.A., M.B.A., who is advising on this position.

ENMA Management Personnel Ltd.
Haltom House, 20/23 Holborn
London EC1
01-405 3362/3

Financial Director

c. £12,000 Leicester

The Bentley Engineering Group Limited, a subsidiary of Sears Holdings Limited, is a major manufacturer of knitting machinery for a world-wide market.

A Financial Director is required to take overall responsibility for the financial and administrative functions of the company and its subsidiaries.

Applications are invited from Chartered Accountants with proven experience in the engineering industry.

The appointment is an important one and only candidates with first-class experience and standing will be considered.

Applications in confidence, giving full details of education and career to date, should be addressed to Mr. G. Maitland Smith, Sears Holdings Limited, 40 Duke Street, London W1M 6AN.

Group Financial Controller

Our client is the Sutcliffe Catering Group Limited, one of the foremost names in the industrial catering business. The Group operates increasingly on an international scale, and has a turnover of £23m and some 7,000 employees.

The Group Financial Controller's post is a new one, calling for a self-starter with the potential to take on rapidly increasing responsibilities. His initial tasks will include profit and cash flow forecasting and the monitoring of subsidiaries performance.

Applications are invited from qualified accountants, aged around 28/32, already holding financial posts at significant level in sizeable commercial or industrial organisations.

Salary negotiable around £6,500 depending on experience. Company car, and generous benefits. Ealing location.

Please apply in strict confidence, quoting reference number 1640, to Clive & Stokes, 14 Bolton Street, London W1Y 8JL.

Clive & Stokes
Appointments & Personnel Consultants

ENMA

Tax Accountant

London NW1 To £6,000

Our client is a major engineering concern and ranks 3rd in its industry in Europe.

Responsible to the Manager, Direct Taxation, the Tax Accountant will initially be concerned with UK operations. The duties will include the preparation of tax computations and negotiations with the Revenue. This will involve close contact with senior financial managers throughout the UK group.

He will be involved in group forecasting and it is expected that some 25% of his time will be spent on tax planning and special exercises.

He will receive thorough training, both in house and external, and will have the opportunity to gain experience of international tax.

Candidates, aged 23-30, should preferably be Chartered Accountants, and should telephone or write to David Hogg A.C.A., who is advising on this position.

ENMA Management Personnel Ltd.
Haltom House, 20/23 Holborn
London EC1
01-405 3362/3

ACCOUNTANCY APPOINTMENTS APPEAR EVERY THURSDAY.
RATE £9 PER SINGLE COLUMN CENTIMETRE

Financial Director Hi-Fi & Professional Sound Manufacturer London

For an established Sound business, leaders in their field and an everyday name internationally. This small company has recently been acquired by a successful US organisation: it is committed to rapid development and expansion of its export based market.

The Financial Director will contribute to the achievement of an ambitious five-year plan. With a short-term approach to begin with, he will direct the full range of accounting and costing services, management information and financial planning, establishing new systems and procedures and handling all financing matters at home and abroad.

A first class record in guiding management in a manufacturing and international marketing company is essential. Preferred age: over 35.

Remuneration: up to £10,000.

Please write in confidence to F. J. F. Hall, Reference: C1858.

MM & WM McLintock Mann & Whitney Murray
Management Consultants
55 Southwark St., London, SE1 0JA

SEARS HOLDINGS LIMITED

Group Chief Accountant

London c. £8000

Our client is a highly successful international company with its base in the U.K. and wholly owned subsidiary companies operating in over twenty countries. Overseas earnings account for about 75% of total turnover.

The Group Chief Accountant is primarily responsible for the preparation of the consolidated financial accounts of the Group, the vital task being to decide on the acceptability of information rather than simply process data. Emphasis will be placed on determining and maintaining consistent Group accounting policies and practices and this will involve the development of inflation accounting techniques, international tax planning and close liaison with the Group's external auditors. Other responsibilities will cover the preparation and control of Corporate budgets and the co-ordination of submissions to the Price Commission.

Candidates will almost certainly be Chartered Accountants in the 27/35 age range. Ideally they will have experience within an international company which has overseas subsidiaries or associated companies or alternatively still be working within the profession and involved with international consolidation as well as auditing. A sound tax background and knowledge of Price Commission procedures would be valuable assets.

Salary will start at around £7000-£8000. Location of the Head Office is central London and the company is generous with relocation assistance where needed.

Replies will be treated in strictest confidence and no information disclosed to our client Company without permission. Please write giving full career details and quoting reference GCA/258 to New Appointments Group, Personnel and Selection Consultants, 5 Park Road, Sittingbourne, Kent ME10 1DR.

New Appointments Group
Personnel Consultants

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Specialist Accountancy Consultants

Standard Costing &
Budgetary Control
Stock & Purchasing Control
Management Information &
Cost Controls
Financial Analysis &
Planning
Systems Design & EDP

Qualified accountants with varied experience "at the coal face" in major companies are sought for demanding work at home and overseas, at both Consultant and Senior Consultant level.

They must be able to work single-handed, and to carry conviction of their expertise, creativity and judgement to the client as well as to us. Personal and analytical qualities suggesting possible promotion to Partner status would be especially valued.

Consultancy is arduous and stimulating. It can be a vital stepping stone in a career, or a career in itself: we offer both possibilities. We make it financially rewarding as well.

Write to F. J. F. Hall, Reference: C1757, giving details of the aspects of accountancy in which you claim a range of knowledge and experience qualifying you to give advice to senior management.

Candidates should note that the firm will be moving to a City address in the autumn.

MM & WM McLintock Mann & Whitney Murray
Management Consultants
55 Southwark Street,
London, SE1 0JA

Financial Controller Zambia

for Roan Consolidated Mines Limited, one of the world's major copper producers, with sales of £265m. in the last financial year and over 23,000 employees on the Zambian Copperbelt. The accounting function (well served by advanced reporting and computerised facilities) is being restructured, and his responsibilities will include management development and the accounts treasury fund.

Candidates, aged 40 to 45, must be qualified accountants with experience at senior level in industry.

Salary negotiable around £13,000. Car provided and comprehensive overseas benefits.

Please send relevant details - in confidence - to P. Hook ref. B.26290.

MSL World wide

Management Selection Limited
17 Stratton Street London W1X 8DB

LE DIRECTEUR GÉNÉRAL DE
HARTZ INTERNATIONAL FRANCE
(CA PRÉVU POUR 1975 : 25 MF), FILIALE DU
NUMERO UN MONDIAL D'ACCESSOIRES POUR
ANIMAUX cherche pour (TRAPPES - 20 miles sud-ouest de Paris).

son directeur administratif et financier

C'est son « bras droit » pour l'élaboration et la mise en œuvre de la politique financière et de gestion de l'entreprise :

- établissement des budgets, tableaux de bord, trésorerie, contrôle budgétaire ;
- suivi de l'administration générale : organisation (circuits, procédures), réglementation douanière, assurances, etc. ;
- animation de la fonction personnelle.

Il est assisté par un chef comptable (et 9 collaborateurs) et un chef du personnel.

La création de ce poste nécessite un cadre de 32 ans minimum, HEC, ESCP ou équivalent (possédant si possible un DEC) ayant déjà une expérience de gestion diversifiée, de préférence dans une entreprise anglo-saxonne. Sa nationalité importe peu, pourvu qu'il soit bilingue français-anglais.

Ecrire à Mme M.C. TESSIER ss ref. 2911 FT.

ALEXANDRE TIC S.A.
10, RUE ROYALE - 75008 PARIS
LYON - LILLE - BENEVE - ZURICH - BRUXELLES - LONDRES

WANTED

SENIOR ANALYST AVAILABLE

Experienced Analyst/Economist seeks senior position with Stock Exchange Firm or Institution. Skilled at developing high-level company contracts. Writes effectively. Has many existing contacts both in industry and in the City.

Write Box A.5132, Financial Times, 10, Cannon Street, EC4P 4BY.

DO YOUR SALES AND MARKETING NEED REINFORCEMENT

Marketing/Sales Director, currently Managing Director, with highly successful record of marketing for profit and control of large sales operation, need to make a change. Experience in Hardware, Chemicals and Grocery, Home and Export. Age 33. Do your sales, market share and profit margins need increasing? If so, why not discuss. Please write Box A.5130, Financial Times, 10, Cannon Street, EC4P 4BY.

KUWAIT OIL COMPANY

Budget & Cost Accountant £8700+

The British Petroleum Company Limited is recruiting a senior accountant for the Kuwait Oil Company in the Arabian Gulf.

Reporting to the company's Chief Accountant he will direct and supervise staff engaged in budget control, cost analysis, cost data processing and asset records. He will also be responsible for the evaluation of the economic aspects of the company's projects and proposals and for advising on Kuwaiti tax implications involved.

Candidates should be qualified accountants with some five years' experience in general or cost accounting, including EDP and administration.

Starting salary will depend on qualifications but will be at least KD5175 (equivalent to £8700 at current exchange rates).

This is a staff appointment on an initial 2/3 year engagement. Benefits include:

- * excellent salaries which are at present free of local tax & provision of an annual service gratuity in lieu of pension rights & 12 month tour earning 5 days leave per month of duty with free passage to and from UK & furnished, air-conditioned family accommodation or an allowance in lieu of primary school facilities
- * children's UK education allowance & free medical attention & good sports and social facilities in this long established family location.

Please send a complete personal history, or request for an application form, quoting ref. B.54, to:
The Manager, Central Recruitment,
The British Petroleum Company Limited,
Edmund House, Moor Lane,
London EC2Y 9BU.

GENERAL APPOINTMENTS

Export Credit Negotiator

A Payment Conditions and Credit Insurance Negotiator is needed in the Export Credit Department, at STC headquarters in London.

The successful candidate will be responsible, after negotiation with E.C.G.D., for agreeing conditions of payment with customers and setting up long-term credit finance where appropriate. There will also be opportunities for travel, accompanying marketing and negotiating teams on visits to foreign clients.

Applicants should be between 25 and 35; preferably with a degree or professional qualification and a working knowledge of Spanish; a number of years' experience in credit insurance and export finance work or merchant banking are essential. Starting salary is competitive and progresses with experience.

For further details, please contact Miss Anne Lack, Standard Telephones and Cables Limited, 190 Strand, London WC2E 7JL. Tel: 01-836 8055 Ext. 316.

Standard Telephones and Cables Limited
A British Company of I.T.C.

CHEMICAL ANALYST

Our client is a large firm of stockbrokers with an international research department which has established a sound reputation in research of the U.K. chemical industry.

They are seeking an investment analyst who will be responsible for extending the in-depth coverage of the industry in the U.K. and Europe. The successful applicant is likely to be aged between 30-40 and should be able to offer at least two of the following:

- a good degree or accountancy qualification
 - experience as an investment analyst in this sector
 - or industrial experience in a central and not over-specialised capacity within the industry
- or He will be seeking a position where:
- initiative is encouraged
 - enthusiasm and accuracy are essential
 - research work, client contact and travel are involved
 - salary will reflect the responsibility of the position

Applications, which should give brief details of your career to date, will be forwarded to our client. Please indicate to a covering letter any firm to whom you do not wish your application to be sent. Please write, quoting ref. 774, to:

W. L. Tall, Tonche Ross & Co.,
Management Consultants,
Executive Selection Division,
27 Chancery Lane,
London WC2A 1NF. Tel: 01-262 9481.

INTERNATIONAL SEARCH & SELECTION CONSULTANTS

MALAWI

Cost Accountant £4500 + House & Car

A company involved in the soft drinks industry, an associate of two multi-national groups, seeks a qualified A.C.M.A. or a suitably qualified accountant with costing experience. Fringe benefits include car, house, servants, etc.

The climate in Malawi is extremely pleasant and there are ample school facilities. Contact George Callaby, Bleasdale Callaby Limited, International Selection Consultants, 40 St. Marlborough Street, London W1. Tel: 01-439 2483 or 794 3466.

INTERNATIONAL SEARCH & SELECTION CONSULTANTS

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WALL STREET OVERSEAS MARKETS & FOREIGN EXCHANGES

Moderate rise on Middle East news & firmer

BY OUR WALL STREET CORRESPONDENT

NEW YORK, July 9

STOCKS ADVANCED moderately on Wall Street today. Investors were encouraged by indications of an interim Middle East Peace Agreement may be imminent. The Dow Jones Industrial Average was up 7.12 to 864.91 at 1 p.m. The NYSE-AH Common Index put on 44 cents to 550.40.

Closing prices and market reports were not available for this edition.

while advances topped declines by a three to one majority. Trading volume expanded 4.1m. shares to 14.58m. compared with 1 p.m. yesterday.

Uncertainty about the course of short-term interest rates, which weighed on the stock market earlier in the week, continued in the background. But analysts said that an easing in the Federal funds rate yesterday may have offered some encouragement to investors.

Certain issues with encouraging corporate news did well with Wall Street up \$2 to \$32 after reporting higher earnings.

Pittsburgh-Des Moines Steel climbed \$1 to \$24, while CBS picked up \$1 to \$33 on improved earnings for the second quarter and six months.

Chrysler rose \$1 to \$21. Newly-elected chairman John J. Riccardo said he expects a "significant" improvement in second quarter earnings. Other Motors scored fractional gains.

A. E. Staley was lifted \$3 to \$31. Du Pont \$1 to \$12.4, 1934 to \$20.7, and Polaroid \$1 to \$40.

Airlines were active and higher with American Airlines the second most active issue, up \$1 to \$18.1, Braniff International followed, up \$1 to \$7.

Occidental Petroleum rose \$1 to \$30. Among the other Oils and related issues, Superior Oil gained \$1.10 to \$21.4, and Hughes Tool \$1.10 to \$21.4.

The American SE Market Value Index rose 0.37 to 93.24 and trading volume gained 840,000 to 1.9m. It reported higher earnings yesterday.

Kaiser Industries, Syntex and Henslon Oil and Minerals picked up fractions. But Barland Company fell \$1 to \$25.

Canada higher

Canadian Stock Markets were generally higher in moderate trading yesterday morning. The Industrial Share Index gained 1.08 to 186.92. Gold rose 1.4 to 410.39. Base Metals 0.48 to 78.01. Western Oils 0.80 to 197.35. Utilities 0.13 to 130.65. But Papers shed 0.3 to 115.60. Alcan Aluminum gained \$1 to \$21.4.

to \$26. Noranda Mines "A" \$1 to \$33 and International Nickel "B" \$1 to \$32.

PARIS—Broadly higher in fairly active trading. An official survey which found that corporate investments are expected to increase in value by 17 per cent. in 1976 provided a boost.

Banks, Portfolios, Foods, Buildings, Engineering, Electricals and Metals moved up. Other sectors were generally mixed, although Textiles dipped a little.

Americans, Dutch and Belgians did well in the Foreign section, especially General Motors and Calsonic. Germans weakened, notably Hoechst and BASF.

AMSTERDAM—Steady to slightly higher.

All Dutch Internationals gained: Alcoa \$1.04 to \$9.8, Philips \$1.11 to \$9.8, Royal Dutch \$1.11 to \$9.8, and Unilever \$1.11 to \$9.8.

Banks rose, Insurances were steady to fractionally higher, while Shipings were weak, but Van Ommen gained \$1.3.

Locals were mixed. Bonds recouped a small part of earlier losses. The new \$150m. (1986-2000) 8 per cent. Bank voor Nederland Gemeentel. Loan eased \$1.17 to \$4.2.

INTERNATIONALS advanced while Locals showed little change.

Domestic Metals rose with Hoescht up \$1.30 to \$13.33, Union Miniere \$1.15 to \$13.33, and Vieille Montagne \$1.40 to \$13.33.

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STOCK EXCHANGE REPORT

British Funds good but equities well below the best
Share index only 1.2 up at 327.6, after 334.7

Account Dealing Dates

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Treasury 12 1/2 per cent, 1995

"A" stock, in which dealings

began only last Friday. Demand

for this particular issue has been

a talking point for the past few

days, but its exhaustion so soon

was surprising. The price closed

at 12 1/2, but the largest

rise among the longs was

established by the sister issue, Treasury

12 1/2 per cent, 1995, which gained

1/2 to 12 1/4. Medium-dated stocks

rose as much as 3/4 despite being

overshadowed by the longer, while

the shorts were active but more

erratic. Exceptionally, Treasury

12 1/2 per cent, 1976, an attempted

buying and being a tightly held

stock, jumped 1/2 to 9 1/4. The

Corporations followed the main

funds with rises to a point.

A much livelier trade developed

in investment currency and the

premium fell to 89, but on

business released by U.S. activity

in Gold shares, before relaying as

demand revived, particularly from

institutional areas, to close a

net two points lower at 89 1/2 per

cent. News of the further

liquidation distribution of 13.15

caused City of Buenos Aires

Tramways to rise 5 to 50p.

Yesterday's S.E. conversion factor

was 0.0208 (0.0132).

Home Banks erratic

Home Banks improved further

initially in fairly active trading,

but business tailed off later and

prices retreated quite sharply to

finish with net losses extending to

9, as in Lloyds, 20p, after 22p.

net two, 20p, after 22p, and

Midland, 33p, after 27p, both

lost 7, while National Westminster

were finally 4 off at 22p, after

24p. Standard and Chartered

Banking improved 10 to 47p, but

Australia's Bank of New South

Wales 30 cheaper at 22p, after

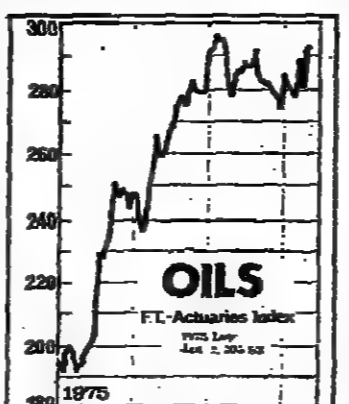
91p and Commercial of Australia

10 off at 22p. Secondary banks

were given a fillip by Press

comment highlighting their

Godwin's better at 12p.



Gains in the Brewery leaders

were pared late by a penny or

so, Allied closing 1 to the good at

85p, after 70p. Elsewhere,

the brewers closed unaltered at 17p,

after 15p, but renewed bid

speculation left Teacher

(Distillers) 5 dearer at 22p.

Apart from International

Timber, 5 off at 8p on the sharply

lower profits. Buildings generally

made modest headway. Taylor

Woodrow advanced 3 to 23p,

while the other three failed to

move. Concrete moved up 3

to 42p on the preliminary

figures, while satisfaction

with the earlier limited Tunnel

B-4 further to 12p.

ICI typified the market trend,

rising to 27p before closing only

3 better on balance at 27p.

Fisons finished 3 up at 37p, after

38p.

Marks and Spencer active

Marks and Spencer were active

in Stores, rising to 20p before

reacting late to close 2 cheaper

on balance at 20p. LUS ended

at 6p, after 6p, while Mercantile

Credit, 20p, and UBT, 21p, both

ended 2 firmer. Merchant Banks

were looking a little firmer,

although Hambros, after Tuesday's

speculative advance of 21, ended

4 off at 17p, after 20p. Anglo-

Continental added 3 to 60p.

Favourable Press comment

stimulated Composite Insurances,

which closed a little below the

best but with rises ranging to 7

after a fairly active trade. General

Accident, 14p, after 14p, and

"Royals", 22p, after 20p, both

ended that amount up, while

Guarantee Royal Exchange added

5 at 15p and Phoenix "new" all-

paid 3 at 19p premium. Life

Offices closed little changed,

although Sun Life rose 5 to 3p

following news of the first-half

increase in premium income. Firm

Lloyds brokers had C. Heath

10 up at 22p and Leslie and

Godwin's better at 12p.

ended unaltered at 75p, after 78p.

Pipps Lamp last 7 more to 12p

with the earlier investment pre-

mium. Secondary issues dis-

played generally minor gains.

Racal Electronic met fresh

demand and advanced to 21p in

a thin market, before reacting to

20p for a net gain of 7. Redi-

fusion hardened 2 to 7p on the

chairman's statement with the

full report, while Ultra Electronic,

a recent good market on the

profits expansion, added 1 to

22p.

Notable exceptions to general

firmness in the Engineering sector

included GKN, down 5 to 85p,

and Tube Investments, unchanged

at 26p, after 27p. Otherwise,

Hawker revived with a rise of 7

to 27p, after 26p, and Vickers

moved up 4 more to 15p. High

market, after 15p, and Vickers

moved up 4 more to 15p. High

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moved up 4 more to 15p. High

market, after 15p, and Vickers

18p, while Powell Duffry gained

5 at 11p and K&S at 31p. John-

son Matthey, on the other hand,

declined 5 to 28p on the chair-

man's profits warning. Dunbe-

combe-Marx were quoted as

"riches" at 10p, with the new

entrants at 20p premium.

Apart from Lucas Industries,

which closed 6 up at 11p, after

having been up to 12p, Motors

spent another uneventful day.

Associated Newspapers received

a large fillip on much better-than

expected results and closed 9

higher at 8p. Improvements

elsewhere in the sector were not

so impressive. Thomson rising 4

to 12p and News International 2

to 10p. Lower profits failed to

upset Bristol Post, marginally

OFFSHORE AND OVERSEAS FUNDS

Alhambra Management Co. Ltd. P.O. Box 1548, Hamilton, Bermuda NAV June 30, 1974 US\$1.00	Charterhouse Japanet 1, Palmerston Row, EC2A NAV June 30, 1974 US\$1.00	Free World Fund Ltd. Batterfield Bldg., Hamilton, Bermuda NAV June 30, 1974 US\$1.00	Kewenau Mgmt. Jersey Ltd. P.O. Box 88, St. Helier, Jersey, GSY 01-088 7070 NAV June 30, 1974 US\$1.00	Sunbelt Montagu Ltd. Agts. 14, Old Broad St., E.C.2 NAV June 30, 1974 US\$1.00	Target Trust Mgmt. (Cayman) Ltd. P.O. Box 710, Grand Cayman, Cayman Is. NAV June 30, 1974 US\$1.00
Australian Selection Fund N.V. 300 West 14th Street, New York, N.Y. 10011 NAV June 30, 1974 US\$1.00	Corbair Int. (Guernsey) Ltd. P.O. Box 157, St. Peter Port, Guernsey NAV June 30, 1974 US\$1.00	G.T. Bermuda Ltd. 81, Bermuda Place, St. Helier, Jersey NAV June 30, 1974 US\$1.00	King & Shannan Mgt. Jersey Ltd. 8 Church St., St. Helier, Jersey, GSY 01-255 111 NAV June 30, 1974 US\$1.00	Murray, Johnstone (Inv. Advisor) 163, Hope St., Glasgow, G2 NAV June 30, 1974 US\$1.00	Takyo Pacific Holdings N.V. 1, Main Management Co. N.V., Curacao NAV per share July 7 US\$2.98
Banking Brussels Lambert 10, rue de la Banque, 1000 Brussels NAV June 30, 1974 US\$1.00	Darling Management Ltd. 15, Bedford St., Sydney, N.S.W., Australia NAV June 30, 1974 US\$1.00	Hill Samuel & Co. (Guernsey) Ltd. 3, Laferriere St., St. Peter Port, Guernsey, GY NAV June 30, 1974 US\$1.00	Kleinwort Benson Ltd. Agts. 31, Broad St., London, W.1 NAV June 30, 1974 US\$1.00	Negit S.A. 10, Boulevard Royal, Luxembourg NAV June 30, 1974 US\$1.00	Takyo Pacific Hldgs. (Seaboard) N.V. 1, Main Management Co. N.V., Curacao NAV per share July 7 US\$2.98
Bank of London & S. America Ltd. 40, Queen Victoria St., E.C.4 NAV June 30, 1974 US\$1.00	Delta Corp. P.O. Box 1467, Nassau, Bahamas NAV June 30, 1974 US\$1.00	Hill Samuel Overseas Fund S.A. 37, Rue de la Poste, Luxembourg NAV June 30, 1974 US\$1.00	King & Shannan Mgt. Jersey Ltd. 8 Church St., St. Helier, Jersey, GSY 01-255 111 NAV June 30, 1974 US\$1.00	Negit S.A. 10, Boulevard Royal, Luxembourg NAV June 30, 1974 US\$1.00	Triumph Oceanic Int. Fund Mgmt. 8, Church St., St. Helier, Jersey, GSY 01-255 111 NAV June 30, 1974 US\$1.00
Bank of Montreal 100, King St. W., Toronto, Ont. M5X 1C5 NAV June 30, 1974 US\$1.00	Dreyfus International Invest. P.V. P.O. Box 10712, Nassau, Bahamas NAV June 30, 1974 US\$1.00	International Pacific Inv. Mgmt. Ltd. P.O. Box 1027, St. Helier, Jersey, GSY 01-255 111 NAV June 30, 1974 US\$1.00	Kleinwort Benson Ltd. Agts. 31, Broad St., London, W.1 NAV June 30, 1974 US\$1.00	Negit S.A. 10, Boulevard Royal, Luxembourg NAV June 30, 1974 US\$1.00	Tyndall Group 6572 32241 P.O. Box 10712, Nassau, Bahamas NAV June 30, 1974 US\$1.00
Bank of New York 60, Wall St., New York, N.Y. 10038 NAV June 30, 1974 US\$1.00	Euroinvest Corp. 1, rue de la Poste, Luxembourg NAV June 30, 1974 US\$1.00	Japan & Far Eastern Secs. Mgmt. Cromwell Court, P.O. Box 500, Hong Kong NAV June 30, 1974 US\$1.00	Lamont Investment Mgmt. Ltd. 1, Broad St., London, W.1 NAV June 30, 1974 US\$1.00	Negit S.A. 10, Boulevard Royal, Luxembourg NAV June 30, 1974 US\$1.00	United States Int. Infl. Adv. Co. 16, Rue Adolphe, Luxembourg NAV June 30, 1974 US\$1.00
Bank of Singapore 1, Raffles Place, Singapore NAV June 30, 1974 US\$1.00	Euroinvest Corp. 1, rue de la Poste, Luxembourg NAV June 30, 1974 US\$1.00	Japan & Far Eastern Secs. Mgmt. Cromwell Court, P.O. Box 500, Hong Kong NAV June 30, 1974 US\$1.00	Lamont Investment Mgmt. Ltd. 1, Broad St., London, W.1 NAV June 30, 1974 US\$1.00	Negit S.A. 10, Boulevard Royal, Luxembourg NAV June 30, 1974 US\$1.00	United States Int. Infl. Adv. Co. 16, Rue Adolphe, Luxembourg NAV June 30, 1974 US\$1.00
Bank of South Africa 1, Joubert St., Johannesburg, S.A. NAV June 30, 1974 US\$1.00	Euroinvest Corp. 1, rue de la Poste, Luxembourg NAV June 30, 1974 US\$1.00	Japan & Far Eastern Secs. Mgmt. Cromwell Court, P.O. Box 500, Hong Kong NAV June 30, 1974 US\$1.00	Lamont Investment Mgmt. Ltd. 1, Broad St., London, W.1 NAV June 30, 1974 US\$1.00	Negit S.A. 10, Boulevard Royal, Luxembourg NAV June 30, 1974 US\$1.00	United States Int. Infl. Adv. Co. 16, Rue Adolphe, Luxembourg NAV June 30, 1974 US\$1.00
Bank of Sweden 1, Kungshuset, Stockholm, S. NAV June 30, 1974 US\$1.00	Euroinvest Corp. 1, rue de la Poste, Luxembourg NAV June 30, 1974 US\$1.00	Japan & Far Eastern Secs. Mgmt. Cromwell Court, P.O. Box 500, Hong Kong NAV June 30, 1974 US\$1.00	Lamont Investment Mgmt. Ltd. 1, Broad St., London, W.1 NAV June 30, 1974 US\$1.00	Negit S.A. 10, Boulevard Royal, Luxembourg NAV June 30, 1974 US\$1.00	United States Int. Infl. Adv. Co. 16, Rue Adolphe, Luxembourg NAV June 30, 1974 US\$1.00
Bank of Switzerland 1, Rue de la Poste, Luxembourg NAV June 30, 1974 US\$1.00	Euroinvest Corp. 1, rue de la Poste, Luxembourg NAV June 30, 1974 US\$1.00	Japan & Far Eastern Secs. Mgmt. Cromwell Court, P.O. Box 500, Hong Kong NAV June 30, 1974 US\$1.00	Lamont Investment Mgmt. Ltd. 1, Broad St., London, W.1 NAV June 30, 1974 US\$1.00	Negit S.A. 10, Boulevard Royal, Luxembourg NAV June 30, 1974 US\$1.00	United States Int. Infl. Adv. Co. 16, Rue Adolphe, Luxembourg NAV June 30, 1974 US\$1.00
Bank of the Netherlands 1, Rijnstraat, Amsterdam, H. NAV June 30, 1974 US\$1.00	Euroinvest Corp. 1, rue de la Poste, Luxembourg NAV June 30, 1974 US\$1.00	Japan & Far Eastern Secs. Mgmt. Cromwell Court, P.O. Box 500, Hong Kong NAV June 30, 1974 US\$1.00	Lamont Investment Mgmt. Ltd. 1, Broad St., London, W.1 NAV June 30, 1974 US\$1.00	Negit S.A. 10, Boulevard Royal, Luxembourg NAV June 30, 1974 US\$1.00	United States Int. Infl. Adv. Co. 16, Rue Adolphe, Luxembourg NAV June 30, 1974 US\$1.00

FT SHARE INFORMATION SERVICE

BRITISH FUNDS

High	Low	Stock	Price	Dr	Cr	Yld
100	99	British Fund 1975	100	0	0	10.0
100	99	British Fund 1976	100	0	0	10.0
100	99	British Fund 1977	100	0	0	10.0
100	99	British Fund 1978	100	0	0	10.0
100	99	British Fund 1979	100	0	0	10.0
100	99	British Fund 1980	100	0	0	10.0
100	99	British Fund 1981	100	0	0	10.0
100	99	British Fund 1982	100	0	0	10.0
100	99	British Fund 1983	100	0	0	10.0
100	99	British Fund 1984	100	0	0	10.0
100	99	British Fund 1985	100	0	0	10.0
100	99	British Fund 1986	100	0	0	10.0
100	99	British Fund 1987	100	0	0	10.0
100	99	British Fund 1988	100	0	0	10.0
100	99	British Fund 1989	100	0	0	10.0
100	99	British Fund 1990	100	0	0	10.0
100	99	British Fund 1991	100	0	0	10.0
100	99	British Fund 1992	100	0	0	10.0
100	99	British Fund 1993	100	0	0	10.0
100	99	British Fund 1994	100	0	0	10.0
100	99	British Fund 1995	100	0	0	10.0
100	99	British Fund 1996	100	0	0	10.0
100	99	British Fund 1997	100	0	0	10.0
100	99	British Fund 1998	100	0	0	10.0
100	99	British Fund 1999	100	0	0	10.0
100	99	British Fund 2000	100	0	0	10.0
100	99	British Fund 2001	100	0	0	10.0
100	99	British Fund 2002	100	0	0	10.0
100	99	British Fund 2003	100	0	0	10.0
100	99	British Fund 2004	100	0	0	10.0
100	99	British Fund 2005	100	0	0	10.0
100	99	British Fund 2006	100	0	0	10.0
100	99	British Fund 2007	100	0	0	10.0
100	99	British Fund 2008	100	0	0	10.0
100	99	British Fund 2009	100	0	0	10.0
100	99	British Fund 2010	100	0	0	10.0
100	99	British Fund 2011	100	0	0	10.0
100	99	British Fund 2012	100	0	0	10.0
100	99	British Fund 2013	100	0	0	10.0
100	99	British Fund 2014	100	0	0	10.0
100	99	British Fund 2015	100	0	0	10.0
100	99	British Fund 2016	100	0	0	10.0
100	99	British Fund 2017	100	0	0	10.0
100	99	British Fund 2018	100	0	0	10.0
100	99	British Fund 2019	100	0	0	10.0
100	99	British Fund 2020	100	0	0	10.0
100	99	British Fund 2021	100	0	0	10.0
100	99	British Fund 2022	100	0	0	10.0
100	99	British Fund 2023	100	0	0	10.0
100	99	British Fund 2024	100	0	0	10.0
100	99	British Fund 2025	100	0	0	10.0
100	99	British Fund 2026	100	0	0	10.0
100	99	British Fund 2027	100	0	0	10.0
100	99	British Fund 2028	100	0	0	10.0
100	99	British Fund 2029	100	0	0	10.0
100	99	British Fund 2030	100	0	0	10.0
100	99	British Fund 2031	100	0	0	10.0
100	99	British Fund 2032	100	0	0	10.0
100	99	British Fund 2033	100	0	0	10.0
100	99	British Fund 2034	100	0	0	10.0
100	99	British Fund 2035	100	0	0	10.0
100	99	British Fund 2036	100	0	0	10.0
100	99	British Fund 2037	100	0	0	10.0
100	99	British Fund 2038	100	0	0	10.0
100	99	British Fund 2039	100	0	0	10.0
100	99	British Fund 2040	100	0	0	10.0
100	99	British Fund 2041	100	0	0	10.0
100	99	British Fund 2042	100	0	0	10.0
100	99	British Fund 2043	100	0	0	10.0
100	99	British Fund 2044	100	0	0	10.0
100	99	British Fund 2045	100	0	0	10.0
100	99	British Fund 2046	100	0	0	10.0
100	99	British Fund 2047	100	0	0	10.0
100	99	British Fund 2048	100	0	0	10.0
100	99	British Fund 2049	100	0	0	10.0
100	99	British Fund 2050	100	0	0	10.0
100	99	British Fund 2051	100	0	0	10.0
100	99	British Fund 2052	100	0	0	10.0
100	99	British Fund 2053	100	0	0	10.0
100	99	British Fund 2054	100	0	0	10.0
100	99	British Fund 2055	100	0	0	10.0
100	99	British Fund 2056	100	0	0	10.0
100	99	British Fund 2057	100	0	0	10.0
100	99	British Fund 2058	100	0	0	10.0
100	99	British Fund 2059	100	0	0	10.0
100	99	British Fund 2060	100	0	0	10.0
100	99	British Fund 2061	100	0	0	10.0
100	99	British Fund 2062	100	0	0	10.0
100	99	British Fund 2063	100	0	0	10.0
100	99	British Fund 2064	100	0	0	10.0
100	99	British Fund 2065	100	0	0	10.0
100	99	British Fund 2066	100	0	0	10.0
100	99	British Fund 2067	100	0	0	10.0
100	99	British Fund 2068	100	0	0	10.0
100	99	British Fund 2069	100	0	0	10.0
100	99	British Fund 2070	100	0	0	10.0
100	99	British Fund 2071	100	0	0	10.0
100	99	British Fund 2072	100	0	0	10.0
100	99	British Fund 2073	100	0	0	10.0
100	99	British Fund 2074	100	0	0	10.0
100	99	British Fund 2075	100	0	0	10.0
100	99	British Fund 2076	100	0	0	10.0
100	99	British Fund 2077	100	0	0	10.0
100	99	British Fund 2078	100	0	0	10.0
100	99	British Fund 2079	100	0	0	10.0
100	99	British Fund 2080	100	0	0	10.0
100	99	British Fund 2081	100	0	0	10.0
100	99	British Fund 2082	100	0	0	10.0
100	99	British Fund 2083	100	0	0	10.0
100	99	British Fund 2084	100	0	0	10.0
100	99	British Fund 2085	100	0	0	10.0
100	99	British Fund 2086	100	0	0	10.0
100	99	British Fund 2087	100	0	0	10.0
100	99	British Fund 2088	100	0	0	10.0
100	99	British Fund 2089	100	0	0	10.0
100	99	British Fund 2090	100	0	0	10.0
100	99	British Fund 2091	100	0	0	10.0
100	99	British Fund 2092	100	0	0	10.0
100	99	British Fund 2093	100	0	0	10.0
100	99	British Fund 2094	100	0	0	10.0
100	99	British Fund 2095	100	0	0	10.0
100	99	British Fund 2096	100	0	0	10.0
100	99	British Fund 2097	100	0	0	10.0
100	99	British Fund 2098	100	0	0	10.0
100	99	British Fund 2099	100	0	0	10.0
100	99	British Fund 2100	100	0	0	10.0

BANKS AND HIRE PURCHASE

High	Low	Stock	Price	Dr	Cr	Yld
100	99	Bank of England	100	0	0	10.0
100	99	Bank of Scotland	100	0	0	10.0
100	99	Bank of Ireland	100	0	0	10.0
100	99	Bank of Wales	100	0	0	10.0
100	99	Bank of Cyprus	100	0	0	10.0
100	99	Bank of Greece	100	0	0	10.0
100	99	Bank of Spain	100	0	0	10.0
100	99	Bank of Portugal	100	0	0	10.0
100	99	Bank of France	100	0	0	10.0
100	99	Bank of Germany	100	0	0	10.0
100	99	Bank of Italy	100	0	0	10.0
100	99	Bank of Japan	100	0	0	10.0
100	99	Bank of Korea	100	0	0	10.0
100	99	Bank of China	100	0	0	10.0
100	99	Bank of India	100	0	0	10.0
100	99	Bank of Australia	100	0	0	10.0
100	99	Bank of New Zealand	100	0	0	10.0
100	99	Bank of South Africa	100	0	0	10.0
100	99	Bank of Argentina	100	0	0	10.0
100	99	Bank of Brazil	100	0	0	10.0
100	99	Bank of Mexico	100	0	0	10.0
100	99	Bank of Peru	100	0	0	10.0
100	99	Bank of Chile	100	0	0	10.0
100	99	Bank of Colombia	100	0	0	10.0
100	99	Bank of Venezuela	100	0	0	10.0
100	99	Bank of Ecuador	100	0	0	10.0
100	99	Bank of Bolivia	100	0	0	10.0
100	99	Bank of Paraguay	100	0	0	10.0
100	99	Bank of Uruguay	100	0	0	10.0
100	99	Bank of Cuba	100	0	0	10.0
100	99	Bank of Haiti	100	0	0	10.0
100	99	Bank of Dominican Republic	100	0	0	10.0
100	99	Bank of Puerto Rico	100	0	0	10.0
100	99	Bank of Guam	100	0	0	10.0
100	99	Bank of Northern Mariana	100	0	0	10.0
100	99	Bank of American Samoa	100	0	0	10.0
100	99	Bank of Cook Islands	100	0	0	10.0
100	99	Bank of Niue	100	0	0	10.0
100	99	Bank of Tokelau	100	0	0	10.0
100	99	Bank of Wallis and Futuna	100	0	0	10.0
100	99	Bank of French Polynesia	100	0	0	10.0
100	99	Bank of New Caledonia	100	0	0	10.0
100	99	Bank of French Guiana	100	0	0	10.0
100	99	Bank of Martinique	100	0	0	10.0
100	99	Bank of Guadeloupe	100	0	0	10.0
100	99	Bank of Réunion	100	0	0	10.0
100	99	Bank of Mayotte	100	0	0	10.0
100	99	Bank of Comoros	100	0	0	10.0
100	99	Bank of Madagascar	100	0	0	10.0
100	99	Bank of Mauritius	100	0	0	10.0
100	99	Bank of Seychelles	100	0	0	10.0
100	99	Bank of Maldives	100	0	0	10.0
100	99	Bank of Bhutan	100	0	0	10.0
100	99	Bank of Nepal	100	0	0	10.0
100	99	Bank of Pakistan	100	0	0	10.0
100	99	Bank of Bangladesh	100	0	0	10.0
100	99	Bank of Sri Lanka	100	0	0	10.0
100	99	Bank of Malaya	100	0	0	10.0
100	99	Bank of Singapore	100	0	0	10.0
100	99	Bank of Brunei	100	0	0	10.0
100	99	Bank of Indonesia	100	0	0	10.0
100	99	Bank of Philippines	100	0	0	10.0
100	99	Bank of Thailand	100	0	0	10.0
100	99	Bank of Vietnam	100	0	0	10.0
100	99	Bank of Laos	100	0	0	10.0
100	99	Bank of Cambodia	100	0	0	10.0
100	99	Bank of Timor-Leste	100	0	0	10.0
100	99	Bank of East Timor	100	0	0	10.0
100	99	Bank of Myanmar	100	0	0	10.0
100	99	Bank of Cambodia	100	0	0	10.0
100	99	Bank of Laos	100	0	0	10.0
100	99	Bank of Vietnam	100	0	0	10.0
100						

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £35 per annum for each security

